

Report 2017-406 S

# Implementation of State Auditor's Recommendations

**Special Report to  
Senate Budget Subcommittees**

Reports Released From January 2015  
Through December 2016

COMMITMENT

INTEGRITY

LEADERSHIP





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February 7, 2017

2017-406 S

Dear Members of the Senate Budget and Fiscal Review Committee:

The California State Auditor (State Auditor) presents for the legislative budget subcommittees this special report, which summarizes audit and investigation reports we issued from January 2015 through December 2016. The purpose of this report is to assist the Senate Budget and Fiscal Review Committee in identifying issues it may want to explore in subcommittee hearings. It is intended to provide transparency in what actions, if any, audited and investigated entities have taken in response to our specific findings and recommendations. This report includes the status of actions taken to implement our recommendations as reported to us by the audited and investigated entities and evaluated by our office as of December 31, 2016. To better assist you, we have highlighted those recommendations that remain not fully implemented.

Our policy requests that entities provide a written response to the audit findings and recommendations before the audit report is issued publicly. As a follow-up, state law requires the entity to provide updates on their implementation of audit recommendations, and we request these updates at 60 days, six months, and one year after the report's public release. For investigations, state law requires that an entity report within 60 days of receiving an investigative report and monthly thereafter until it has completed all of the actions it intends to take in response to the recommendations. Further, we follow up with every entity that we determine has not fully implemented one or more recommendations within one year of the issuance of an audit or investigative report and request an update on the entity's plans to implement the outstanding recommendations.

This report is organized by recommendations that fall within the jurisdiction of each of the individual Senate Budget and Fiscal Review Subcommittees. For example, the section for the Senate Subcommittee 1 on Education identifies report recommendations our office made on issues ranging from admission policies for resident and nonresident students at the University of California to the availability of library services in public schools. The section for Senate Subcommittee 3 on Health and Human Services identifies report recommendations on issues ranging from administering psychotropic medications to children in foster care to vendor fees for in-home respite services.

Please note that some reports may involve more than one issue or cross the jurisdictions of more than one subcommittee. In Table 1, we provide the report title, recommendations, and action taken by the entity. A more detailed description of the State Auditor's assessment of the entity's actions can be accessed on our website at [www.auditor.ca.gov](http://www.auditor.ca.gov) under the "Publications" tab.

*continued on next page...*

Our audit efforts bring the greatest return when the entity acts upon our findings and recommendations. Table 2 summarizes the monetary value associated with certain findings from reports we issued during the period January 1, 2009, through December 31, 2016. We have indicated the nature of the monetary value in the following categories: cost recovery, cost savings, cost avoidance, increased revenue, and wasted funds. We estimate that if entities implemented our recommendations contained in these reports, they could realize more than \$1.9 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending.

For example, in our November 2016 report on an audit concerning Los Angeles County's (county) oversight of the Los Angeles County Fair Association (association), we reported that the county exercised weak oversight of its lease with the association. The county has a lease with the association that allows the association to operate the Los Angeles County Fair and requires the association to pay rent to the county based on a percentage of the revenue the association receives from its activities on this land. We found that although the association owns a hotel that operates on county-owned land, the county allowed the association to exclude its hotel's revenue from its rent calculation for reasons that the county could not adequately explain. Consequently, the county likely relinquished more than \$6 million in rent revenue from 2006 through 2015.

In another example, in April 2016 we reported that regular evaluation of corporate income tax expenditures—tax benefits for qualifying corporations—would improve their efficiency and effectiveness. These tax expenditures include exemptions from certain taxes, deductions from taxable income, credits that reduce total tax liability, and elections that allow a choice in how taxes are calculated such as the water's edge election. The Water's Edge election allows corporations to exclude from their reportable income what they derive from the foreign portions of their business, but may also provide unintended benefits that reduce state revenue, such as allowing corporations to shield income in offshore tax havens. We reported that extending the Water's Edge to countries considered tax havens, as other states have done, could result in additional state revenue of \$20 million to \$40 million without violating the purpose of the tax expenditure.

We believe the State's budget process is a good opportunity for the Legislature to explore these issues in a public forum and, to the extent necessary, reinforce the need for corrective action. If you would like more information or assistance regarding this report, please contact Paul Navarro, Chief of Legislative and Governmental Affairs, at (916) 445-0255.

Respectfully submitted,



ELAINE M. HOWLE, CPA  
California State Auditor

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**Table 1**  
Recommendation Status Summary

### Senate Budget & Fiscal Review Subcommittee 1 on Education

Report Number 2016-135R

*Magnolia Science Academies: Although the Financial Condition of These Charter Schools Has Improved, Their Financial Controls Still Need to Be Strengthened (May 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Consistent with their charter petition terms, the Magnolia Educational and Research Foundation (Foundation) should ensure that each academy maintains the minimum required cash reserve.	Fully Implemented	Magnolia Educational and Research Foundation
2. To ensure the charter management organization (CMO) fees it charges to its academies are accurate, the Foundation should develop procedures to ensure that CMO fees are accurately calculated and recorded, including performing regular reconciliations of the CMO fees recorded in the Foundation's and academies' general ledgers.	Fully Implemented	Magnolia Educational and Research Foundation
3. To ensure that the academies' spending aligns with their budgets, the Foundation should create and retain standardized reports with a sufficient level of detail to allow its staff and the academy principals to compare the academies' spending to their budgets.	Fully Implemented	Magnolia Educational and Research Foundation
4. To reduce the risk of misappropriation, the Foundation should ensure that it appropriately authorizes all of its expenditures and the academies' expenditures. It should also ensure that it includes sufficient supporting documentation for each expense, including documenting the purpose of each transaction.	Fully Implemented	Magnolia Educational and Research Foundation
5. To strengthen its controls over purchases that principals make at the academies, the Foundation should update its accounting manual to require academy principals to obtain written authorization before processing purchases on their debit cards that are higher than established thresholds. The Foundation should also revise its accounting manual to prohibit the use of debit cards for travel except in the case of a documented emergency.	Fully Implemented	Magnolia Educational and Research Foundation
6. To ensure that it can locate documentation supporting its expenditures and the academies' expenditures, the Foundation should develop a stronger document filing system that links all supporting documentation for expenditures to its authorization and justification included in the CoolSIS system by using a unique identifier such as a purchase order number.	Fully Implemented	Magnolia Educational and Research Foundation
7. To strengthen its contracting process, the Foundation should define who has authority to sign vendor agreements.	Fully Implemented	Magnolia Educational and Research Foundation
8. To increase transparency and reduce the risk of misuse of funds, the Foundation should update its policies and procedures regarding vendor selection to require that it maintain independence in its relationships with vendors.	Fully Implemented	Magnolia Educational and Research Foundation
9. To ensure that it provides proper oversight over its process for hiring employees who are not citizens of the United States and that it meets all legal requirements for the employees it sponsors, the Foundation should enhance its human resources policies and procedures and implement a centralized system to track and maintain sponsored employees' files and publicly available documentation. Moreover, the Foundation should use the centralized system to ensure that proper notification is sent to Homeland Security for any material changes to sponsored employees' employment. The Foundation should also review all of its past and present noncitizen employees' files and notify Homeland Security of any material changes that it has not previously reported.	Fully Implemented	Magnolia Educational and Research Foundation
10. To hold its management accountable for meeting their responsibilities related to the payroll process, the Foundation should continue to implement its new desk procedures of requiring review and documentation of that review at each stage in the payroll process.	Fully Implemented	Magnolia Educational and Research Foundation

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To safeguard the funds that the academies raise, the Foundation should ensure that academy staff follow the fundraising procedures in its accounting manual, especially with regards to timeliness of bank deposits and sign-offs on cash-count forms. The Foundation should also annually train its staff to ensure compliance with fundraising procedures.	Fully Implemented	Magnolia Educational and Research Foundation
12. To ensure their compliance with state and federal laws, the Foundation should continue to develop procedures for the academies to follow when they report truancy data to Education. The Foundation's procedures should include a process for the academies to document their calculations.	Fully Implemented	Magnolia Educational and Research Foundation
13. To improve communication between the inspector general and the division, the Los Angeles Unified School District (LAUSD) should develop procedures for discussing relevant findings in draft form and for determining how those findings should affect the decisions that the division or the board makes.	Fully Implemented	Los Angeles Unified School District
14. To improve its process for considering whether to rescind a charter school's conditionally renewed petition, LAUSD should develop procedures to provide charter schools with a reasonable amount of time for an appropriate response or to potentially remedy concerns.	Fully Implemented	Los Angeles Unified School District

**Report Number 2014-121**

*University of California, Davis: It Has Not Identified Future Financing for the Strawberry Breeding Program nor Collected All Available Revenues (June 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The University of California, Davis (UC Davis) should ensure that the Strawberry Breeding Program (strawberry program) is adequately funded. To address the strawberry program's recent loss of funding, the university should consider allocating more of the strawberry program's patent income back to the program itself. In addition, UC Davis should regularly reassess the appropriateness of the strawberry program's royalty rates charged to licensees and adjust the rates as needed to support the program.	Fully Implemented	University of California, Davis
2. The UC Davis Department of Plant Sciences should prepare a balanced budget for each fiscal year that details how it will fund the strawberry breeding program. In addition, it should begin comparing actual income and expenses to the budget periodically to ensure that the program is operating in a cost-efficient manner and is adequately funded.	Fully Implemented	University of California, Davis
3. To better enable it to effectively monitor and report the financial condition of the strawberry program, UC Davis should implement its plan to begin accounting for the strawberry program's financial activities separately from those of the breeder in fiscal year 2015-16.	Fully Implemented	University of California, Davis
4. UC Davis should collect all late fees that its licensees owe.	Will Not Implement	University of California, Davis
5. If UC Davis considers providing future discounts on royalty rates, it should structure the agreements to ensure that it receives a commensurate benefit during the entire time that licensees receive discounts.	Resolved	University of California, Davis
6. UC Davis should develop a risk-based audit plan to begin periodically reviewing the financial records of master licensees and licensed nurseries to ensure that they are accurately reporting all of their sales of licensed strawberry varieties and paying the university all the royalties it is entitled to. To encourage compliance, UC Davis should notify all master licensees and licensed nurseries that it will begin auditing the sales records of selected licensees.	Pending	University of California, Davis

**Report Number 2014-131**  
*California State Government Websites: Departments Must Improve Website Accessibility So That Persons With Disabilities Have Comparable Access to State Services Online (June 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, California Community Colleges (Community Colleges) should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Fully Implemented	Community Colleges Chancellor's Office
7. No later than December 1, 2015, Community Colleges should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review, including any web presence managed by its technology center. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Fully Implemented	Community Colleges Chancellor's Office
14. To ensure that updates to its website are tested for accessibility, by July 31, 2015, Community Colleges should develop and follow a written test approach that describes how and when changes to its website will be reviewed. This plan should describe how the department will include both automated and manual forms of accessibility testing.	Fully Implemented	Community Colleges Chancellor's Office
17. To ensure that it can accurately track whether accessibility issues found during testing have been resolved, Community Colleges should direct its vendor to more clearly and consistently document when the fix for an accessibility defect has been implemented in the live version of the online application.	Fully Implemented	Community Colleges Chancellor's Office
19. To ensure that individuals have a wider variety of contact information available to them for reporting problems with website accessibility, by July 31, 2015, Community Colleges should update its accessibility page to include all methods of communication that state requirements mandate for other departments.	Fully Implemented	Community Colleges Chancellor's Office
24. To enhance the overall accessibility of its website, by July 31, 2015, Community Colleges should list general web browser usability features on its websites after verifying that its sites are compatible with those features. Additionally, Community Colleges should add links to its website directing users to browser-specific usability information for these four popular web browsers: Apple Safari, Google Chrome, Microsoft Internet Explorer, and Firefox.	Fully Implemented	Community Colleges Chancellor's Office

**Report Number 2015-032**  
*California's Postsecondary Educational Institutions: More Guidance Is Needed to Increase Compliance With Federal Crime Reporting Requirements (July 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The Legislature should require the California Department of Justice (Justice) to provide guidance to California's public and private institutions and systemwide offices regarding compliance with the requirements of the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Violence Against Women Reauthorization Act of 2013 (Reauthorization Act).	Legislation Proposed But Not Enacted	Legislature
2. The University of Redlands (Redlands) should review and adhere to applicable guidance related to the Clery Act, including the U.S. Department of Education's Office of Postsecondary Education <i>Handbook for Campus Safety and Security Reporting</i> (OPE handbook) and the Federal Bureau of Investigation's <i>Uniform Crime Reporting Handbook</i> (Uniform Crime Reporting Handbook), to ensure that it is accurately reporting its crime statistics.	Fully Implemented	University of Redlands
3. The University of California, San Diego (San Diego) should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Fully Implemented	University of California, San Diego
4. San Francisco State University (San Francisco) should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Fully Implemented	San Francisco State University
5. Shasta College (Shasta) should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Fully Implemented	Shasta College

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. Stanford University (Stanford) should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Fully Implemented	Stanford University
7. Fresno City College (Fresno) should create written procedures that clearly describe the review process it will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Fully Implemented	Fresno City College
8. San Diego should create written procedures that clearly describe the review process it will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Fully Implemented	University of California, San Diego
9. San Francisco should create written procedures that clearly describe the review process they will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Fully Implemented	San Francisco State University
10. Shasta should create written procedures that clearly describe the review process they will undertake to ensure that it will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Fully Implemented	Shasta College
11. Fresno should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Fully Implemented	Fresno City College
12. Redlands should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Fully Implemented	University of Redlands
13. San Diego should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Fully Implemented	University of California, San Diego
14. San Francisco should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Fully Implemented	San Francisco State University
15. Shasta should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Fully Implemented	Shasta College
16. Redlands should ensure that it includes all crimes on its daily crime log, as required under the Clery Act.	Fully Implemented	University of Redlands
17. Shasta should ensure that it includes all crimes on its daily crime log, as required under the Clery Act.	Fully Implemented	Shasta College
18. To ensure that its respective institutions comply with the Clery Act, the University of California Office of the President should finalize and implement its draft policy that will provide additional guidance and oversight to its institutions.	Not Fully Implemented	University of California
19. To ensure that its respective institutions comply with the Clery Act, the California State University (CSU) Office of the Chancellor should develop written policies and procedures to provide guidance to its institutions on how to report accurate Clery Act crime statistics and ensure that all required disclosures are included in its respective institutions' annual security reports. The CSU Office of the Chancellor should then annually revisit the written policies and procedures to ensure that they are up to date.	Not Fully Implemented	California State University
20. To ensure that its respective institutions comply with the Clery Act, the Community Colleges Chancellor's Office should develop written policies and procedures to provide guidance to its institutions on how to report accurate Clery Act crime statistics and ensure that all required disclosures are included in its respective institutions' annual security reports. The Community Colleges Chancellor's Office should then annually revisit the written policies and procedures to ensure that they are up to date.	Pending	Community Colleges Chancellor's Office



**Report Number 2015-101**

*Inglewood Unified School District: The State Superintendent of Public Instruction Needs to Better Communicate His Approach for Reforming the District (November 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure a transparent and accountable process, any future state emergency funding for a school district appropriated by the Legislature should specifically require the State Superintendent of Public Instruction (state superintendent) to document the selection and appointment process of a state administrator, including the rationales for progressing certain candidates once screened or reasons that particular individuals were ultimately selected to serve as state administrator. Additionally, it should define the Los Angeles County Superintendent of Schools' (county superintendent) role in the appointment process for a state administrator.	No Action Taken	Legislature
2. To assist the Inglewood Unified School District (district) with establishing priorities, and to ensure that the public is aware of those priorities, the state superintendent should direct his state administrator to develop annual performance objectives and an action plan to address The Fiscal Crisis Management and Assistance Team's (FCMAT) findings and recommendations. Such an action plan should describe for the public why certain findings were prioritized and what steps the state administrator plans to take to improve the district's FCMAT scores.	Partially Implemented	Department of Education
3. To provide the public an opportunity to fully understand the requirements for and the progress made toward restoring local control to the district's governing board, the state superintendent should direct his state administrator to establish a web page on the district's website listing the specific exit criteria, indicating which criteria have been satisfied, and what the state administrator's and state superintendent's expectations and plans are for satisfying remaining exit requirements. One way the state superintendent could do this would be to provide regularly updated information in a format that is similar to the information we present in the Appendix of this audit report.	Fully Implemented	Department of Education
4. To provide the public an opportunity to fully understand the requirements for and the progress made toward restoring local control to the district's governing board, the state superintendent should direct his state administrator to establish regular advisory board agenda items to answer the public's questions concerning the efforts made toward achieving the exit criteria.	No Action Taken	Department of Education

**Report Number 2015-112**

*Student Mental Health Services: Some Students' Services Were Affected by a New State Law, and the State Needs to Analyze Student Outcomes and Track Service Costs (January 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The Legislature should amend state law to require the California Department of Education (Education) to report annually, beginning March 2017, regarding the outcomes for students receiving mental health services in the six key areas we identified. The report to the Legislature should include outcome data for the most recently completed school year and should compare the outcomes for students receiving mental health services with the outcomes for other special education students. Subsequent reports should also identify any trends in outcome data from one year to the next. Education should also provide comments in the report on the trends that it identifies and any actions it plans to take to improve the outcomes for students who receive mental health services.	Partially Implemented	Legislature
2. To ensure that it provides mental health services through an individualized education program (IEP) to all students who require such services, Long Beach Unified School District (Long Beach) should analyze the number of students to whom it provides these services and determine whether the annual decline can be attributed to its early intervention program. If the decline cannot be attributed to the early intervention program, Long Beach should reassess its process for determining whether students require mental health services through an IEP and make any necessary improvements to that process.	Pending	Long Beach Unified School District
3. To ensure that all local educational agencies (LEAs) comply with federal special education requirements, Education should require them to include directly in a student's IEP document reasons for any changes to student placement or services.	Will Not Implement	Department of Education

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To better communicate with parents and future IEP teams about reasons for any changes to student services, including changes to mental health services and student placements, Long Beach should develop a process to ensure that IEP teams record these reasons in student IEP documents.	Pending	Long Beach Unified School District
5. To better communicate with parents and future IEP teams about reasons for any changes to student services, including changes to mental health services and student placements, Mt. Diablo Unified School District (Mt. Diablo) should develop a process to ensure that IEP teams record these reasons in student IEP documents.	Partially Implemented	Mt. Diablo Unified School District
6. To better communicate with parents and future IEP teams about reasons for any changes to student services, including changes to mental health services and student placements, Riverside County (Riverside) special education local plan area (SELPA) should develop a process to ensure that IEP teams record these reasons in student IEP documents.	Partially Implemented	Riverside County SELPA
7. To better communicate with parents and future IEP teams about reasons for any changes to student services, including changes to mental health services and student placements, South East Consortium SELPA (South East) should develop a process to ensure that IEP teams record these reasons in student IEP documents.	Partially Implemented	South East Consortium SELPA
8. To enable it to review additional areas of its special education program for quality assurance, Education should collect information about the frequency of the provision of each service contained in all students' IEPs. Education should then use this information to annually review the frequency of mental health services and follow up with SELPAs when it observes a significant reduction in the frequency of services.	Pending	Department of Education
9. To ensure that LEAs comply with federal and state requirements, Education should require all LEAs to use the IEP document to communicate the rationale for residential treatment and any potential harmful effects of such placement.	Will Not Implement	Department of Education
10. To ensure that it complies with federal and state requirements, Long Beach should develop a process to ensure that IEP teams record, in student IEP documents, the rationale for residential treatment and any potential harmful effects of such placement.	Pending	Long Beach Unified School District
11. To ensure that it complies with federal and state requirements, Mt. Diablo should develop a process to ensure that IEP teams record, in student IEP documents, the rationale for residential treatment and any potential harmful effects of such placement.	Partially Implemented	Mt. Diablo Unified School District
12. To ensure that it complies with federal and state requirements, Riverside should develop a process to ensure that IEP teams record, in student IEP documents, the rationale for residential treatment and any potential harmful effects of such placement.	Fully Implemented	Riverside County SELPA
13. To ensure that it complies with federal and state requirements, South East should develop a process to ensure that IEP teams record, in student IEP documents, the rationale for residential treatment and any potential harmful effects of such placement.	Partially Implemented	South East Consortium SELPA
14. To better understand the effectiveness of the mental health services in its special education program, Long Beach should use the six performance indicators we identified to perform analysis annually on the subset of students receiving mental health services.	Pending	Long Beach Unified School District
15. To better understand the effectiveness of the mental health services in its special education program, Mt. Diablo should use the six performance indicators we identified to perform analysis annually on the subset of students receiving mental health services.	Pending	Mt. Diablo Unified School District
16. To better understand the effectiveness of the mental health services in its special education program, Murrieta Valley Unified School District should use the six performance indicators we identified to perform analysis annually on the subset of students receiving mental health services.	Fully Implemented	Murrieta Valley Unified School District
17. To better understand the effectiveness of the mental health services in its special education program, East Side should use the six performance indicators we identified to perform analysis annually on the subset of students receiving mental health services.	Partially Implemented	East Side Union High School District
18. Education should analyze and report to the Legislature, by May 30, 2016, on the outcomes for students receiving mental health services statewide, including outcomes across the six performance indicators we identified, in order to demonstrate whether those services are effective. Once it has reported this statewide information, Education should provide each LEA throughout the State a report regarding the outcomes for the students the LEA served.	Will Not Implement	Department of Education

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19. The Legislature should amend state law to require counties to enter into agreements with SELPAs to allow SELPAs and their LEAs to access EPSDT funding through the county mental health plans by providing EPSDT mental health services. If individual counties can demonstrate good reason why this type of arrangement is not possible or beneficial, the amended law should allow the counties to opt out of the collaboration by seeking a time-limited waiver from Health Care Services. The Legislature should require Health Care Services to make a final determination as to whether counties will be allowed to opt out of the required collaboration. The Legislature should require counties seeking a waiver to specify what barriers exist to working with SELPAs and their LEAs and how the county is attempting to remove those barriers.	Legislation Proposed But Not Enacted	Legislature
20. To ensure that the State knows the amount LEAs spend to provide mental health services for student IEPs, before the start of the 2017–18 fiscal year, Education should develop, and require all LEAs to follow, an accounting methodology to track and report expenditures related to special education mental health services.	Will Not Implement	Department of Education
21. To ensure that LEAs provide mental health services as required, Education should, on an annual basis, identify LEAs with accumulated balances of mental health funding and analyze whether the LEA has had a corresponding drop in mental health service levels. For all LEAs that Education determines have both an accumulated balance and a corresponding drop in services, Education should follow up with the LEA to determine whether the LEA is meeting its obligations to provide mental health services to students as part of the special education program.	Partially Implemented	Department of Education
22. To ensure that all staff it hires are qualified to provide mental health services, Long Beach should update its minimum qualifications for the autism supervisor position to comply with state regulatory requirements no later than March 2016.	Fully Implemented	Long Beach Unified School District
23. To ensure that the licensed staff it hires are qualified at the time of hire and throughout their employment, Mt. Diablo should follow its formal procedures to ensure that staff possess required licenses when hired and that their licenses remain current while employed.	Partially Implemented	Mt. Diablo Unified School District
24. To ensure that it can demonstrate that the contracted personnel who provide mental health services are qualified, Long Beach should annually obtain and retain copies of contractor personnel lists and the credentials or licenses for personnel who provide mental health services to students in the SELPA.	Partially Implemented	Long Beach Unified School District
25. To ensure that it can demonstrate that the contracted personnel who provide mental health services are qualified, Mt. Diablo should annually obtain and retain copies of contractor personnel lists and the credentials or licenses for personnel who provide mental health services to students in the SELPA.	Fully Implemented	Mt. Diablo Unified School District
26. To ensure that it can demonstrate that the contracted personnel who provide mental health services are qualified, Riverside should annually obtain and retain copies of contractor personnel lists and the credentials or licenses for personnel who provide mental health services to students in the SELPA.	Fully Implemented	Riverside County SELPA
27. To ensure that it can demonstrate that the contracted personnel who provide mental health services are qualified, East Side should annually obtain and retain copies of contractor personnel lists and the credentials or licenses for personnel who provide mental health services to students in the LEA.	Fully Implemented	East Side Union High School District
28. Education should require all LEAs and SELPAs that hold contracts for mental health services to annually obtain and retain copies of contractor personnel lists and the credentials or licenses for contractor personnel who provide mental health services to students in their respective LEA or SELPA.	Partially Implemented	Department of Education
29. To ensure that the State provides special education and related services to all eligible students, Education should investigate the difference between the estimated number of school aged children statewide who have a severe emotional disturbance and the number receiving mental health services through an IEP and determine the reason for such a discrepancy. Education should then take any steps necessary to assist LEAs in identifying and providing services to children who are severely emotionally disturbed.	Will Not Implement	Department of Education

**Report Number 2015-107**

*The University of California: Its Admissions and Financial Decisions Have Disadvantaged California Resident Students (March 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To meet its commitment to California residents, the University of California (university) should replace its “compare favorably” policy with a new admission standard for nonresident applicants that reflects the intent of the Master Plan for Higher Education in California (Master Plan). The admission standard should require campuses to admit only nonresidents with admissions credentials that place them in the upper half of the residents it admits.	Pending	University of California
2. To meet its commitment to California residents, the university should amend its referral process by taking steps to increase the likelihood that referred residents ultimately enroll.	No Action Taken	University of California
3. To ensure that campuses’ interpretations of admission standards do not adversely impact residents, the university should implement a thorough process to annually evaluate the qualifications of students who apply and students who are admitted. These evaluations should highlight instances when campuses admit nonresidents who are less qualified than residents and should include corrective action steps. Moreover, this evaluation should include resident and nonresident undergraduate enrollment in majors at each campus. The university should make the results of this evaluation—including details of the academic qualifications of students who applied and who were admitted—publicly available.	Pending	University of California
4. To ensure that it has accurate information upon which to make funding decisions, the Legislature should consider amending the state law that requires the university to prepare a biennial cost study. The amendment should include requirements for the university to differentiate costs by student academic level and discipline and to base the amounts it reports on publicly available financial information. In the absence of legislative action, the university should conduct a cost study every three to five years and ensure that it is based upon publicly-available financial information. The university should use the results of the cost studies as a basis for the tuition it charges and for the proposed funding needs that it presents to the Legislature.	No Action Taken	Legislature
5. To ensure that the university does not base future admission decisions on the revenue that students generate, the Legislature should consider amending state law to limit the percentage of nonresidents that the university can enroll. For example, the Legislature could require that the university limit nonresident enrollment to 5 percent of total undergraduate enrollment. To accomplish this, the Legislature should consider requiring that the university’s annual appropriations be based on enrolling agreed-upon percentages of residents and nonresidents.	Legislation Proposed But Not Enacted	Legislature
6. To ensure that the university meets its commitment to residents and to bring transparency and accountability to admission outcomes, the Legislature should consider excluding the students who the university places in the referral pool and who do not ultimately enroll at the referral campus when calculating the university’s Master Plan admission rate until the percentage of students who enroll through the referral process more closely aligns with that of the other campuses.	No Action Taken	Legislature
7. To improve its internal operations and promote cost savings related to the nearly \$13 billion it spent on employee salaries in fiscal year 2014–15, the university should conduct a systemwide assessment to identify ways to streamline and reduce its employee costs.	No Action Taken	University of California
8. To ensure the reasonableness of the compensation the university pays its executives, it should include—to the extent possible—all items of compensation when setting or adjusting salaries and benefits, when conducting surveys and studies, and when comparing the compensation packages of its executives to those in similar positions outside the university.	Pending	University of California
9. To ensure that its process for establishing and revising salaries for its top executives is documented, thorough, and consistently applied, the university should implement the five outstanding recommendations from its 2013 internal review report by August 2016.	Partially Implemented	University of California
10. To improve the transparency and timeliness of its annual compensation report, the university should streamline the process it uses to prepare the report so it can be issued by April of each year.	Will Not Implement	University of California
11. To ensure that the home loan program is the best use of the university’s investment funds, it should conduct a cost benefit analysis that factors in the opportunity costs of investing in the home loan program as opposed to other higher-returning assets.	Resolved	University of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To maximize the savings and new revenue from the Working Smarter initiative and ensure that the university uses them for its academic and research missions, the Office of the President should immediately require that the campuses fully participate in all projects unless they can provide compelling evidence demonstrating a harmful effect.	No Action Taken	University of California
13. To maximize the savings and new revenue from the Working Smarter initiative and ensure that the university uses them for its academic and research missions, the Office of the President should, by June 30, 2016, to the extent possible, implement a process to centrally direct these funds to ensure that campuses use them to support the core academic and research missions of the university.	Pending	University of California
14. To maximize the savings and new revenue from the Working Smarter initiative and ensure that the university uses them for its academic and research missions, the Office of the President should ensure that it substantiates that projects are actually generating savings and new revenue and that it can demonstrate how the university uses these funds.	Pending	University of California
15. To ensure that its recruiting efforts benefit residents, the university should prioritize recruiting residents over nonresidents. In particular, the university should focus its recruiting efforts broadly to ensure that it effectively recruits resident underrepresented minorities. For example, the university could establish a limit on the amount of funds it dedicates to nonresident recruiting. Further, it should develop a process to better track its nonresident and resident recruiting expenditures.	Pending	University of California
16. To determine if the campuses are using funds to further the goals of the University of California system and the Legislature, the Office of the President should begin regularly monitoring and analyzing how campuses are using both state funds and nonresident supplemental tuition. If, after the close of the fiscal year, the Office of the President determines that campuses are not using state funds and/or nonresident supplemental tuition in accordance with those goals, the Office of the President should take steps to correct the campuses' spending decisions as soon as possible.	Pending	University of California
17. To ensure that it spends state funds prudently for programs that do not directly relate to educating students, the university should track spending from state funds for programs that do not relate to educating students.	Pending	University of California
18. To ensure that it spends state funds prudently for programs that do not directly relate to educating students, the university should reevaluate these programs each year to determine whether they continue to be necessary to fulfill the university's mission.	No Action Taken	University of California
19. To ensure that it spends state funds prudently for programs that do not directly relate to educating students, the university should explore whether the programs could be supported with alternate revenue sources.	No Action Taken	University of California
20. To increase its transparency and help ensure that it can justify its spending decisions, the university should make publicly available the amounts of state funding it allocates toward per student funding, as well as the amounts it or campuses spend for programs that are not directly related to educating students. The university should publicly present the ranges of per-student funding based upon the amount of funding excluded from the formula.	No Action Taken	University of California
21. To ensure that its rebenching efforts lead to equalized per-student funding among the campuses, the university should include actual enrollment numbers in its rebenching formula.	Partially Implemented	University of California
22. To ensure that its rebenching efforts lead to equalized per-student funding among the campuses, the university should adopt a methodology that it can use, at least every three to five years, to update its weighting system to ensure the weight factors take into account campuses' actual costs of instruction, using the cost study that we recommend in Chapter 1 and other revenue sources if necessary.	No Action Taken	University of California
23. To ensure that its rebenching efforts lead to equalized per-student funding among the campuses, the university should exclude from its rebenching calculation all state funding it uses for programs that do not directly relate to educating students. The university should exclude these programs only after it has evaluated them in accordance with the recommendation we made previously.	Will Not Implement	University of California
24. To ensure that its rebenching efforts lead to equalized per-student funding among the campuses, the university should include stakeholders such as students, legislative and executive branch staff, and student groups in future discussions of rebenching to ensure that it considers their viewpoints and to increase transparency regarding its funding decisions.	Partially Implemented	University of California

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## Report Number 2016-103

*Los Angeles Unified School District: It Can Do More to Reduce the Impacts of Removing Teachers From Classrooms Because of Alleged Misconduct (October 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To help reduce the impacts of removing teachers from classrooms because of alleged misconduct, LAUSD should take the following steps by April 2017:</p> <p>To ensure that LAUSD is adequately monitoring compliance with key time frames of its reassignment policy, begin using its new database to report on how long reassignments have taken to move through the various steps in its policy or begin reporting on all key time frames by another means. LAUSD should also establish procedures to periodically monitor each key decision point throughout the reassignment process to ensure that responsible parties meet the time frames it has set for resolving teacher reassignments.</p>	Pending	Los Angeles Unified School District
<p>2. To help reduce the impacts of removing teachers from classrooms because of alleged misconduct, LAUSD should take the following steps by April 2017:</p> <p>To avoid significant delays in returning reassigned teachers to work, develop written procedures to guide staff in identifying appropriate placement options. These procedures should include time frames by which relevant LAUSD personnel including, but not limited to, Employee Relations and the General Counsel, are to meet with one another to ensure an appropriate and timely placement. In cases in which the teacher has been reassigned for a long time, such as in cases returning from the Hearings office, the procedure should also establish time frames by which LAUSD meets with the teacher to discuss the teacher's placement preferences.</p>	Pending	Los Angeles Unified School District
<p>3. To help reduce the impacts of removing teachers from classrooms because of alleged misconduct, LAUSD should take the following steps by April 2017:</p> <p>To improve the consistency of its formal reassignments, develop a comprehensive risk evaluation tool to guide its local administrators in determining whether allegations against a teacher represent a clear risk to students or district personnel. LAUSD's evaluation tool should consider factors such as a teacher's prior behavior, the vulnerability of affected students, and the complexity of the allegations.</p>	Pending	Los Angeles Unified School District
<p>4. To help reduce the impacts of removing teachers from classrooms because of alleged misconduct, LAUSD should take the following steps by April 2017:</p> <p>To minimize the number of reassignment investigations unnecessarily referred to its Investigation Team, revise its policy to allow local administrators, in certain circumstances and with sufficient justification, to request small, specific additional amounts of time to complete their initial investigations and possibly avoid formal reassignments. When it grants additional time to a local administrator, LAUSD should continue to closely monitor the local administrator's activities until its preliminary investigation is complete.</p>	Pending	Los Angeles Unified School District
<p>5. To help reduce the impacts of removing teachers from classrooms because of alleged misconduct, LAUSD should take the following steps by April 2017:</p> <p>To ensure that local administrators are providing appropriate and consistent information to reassigned teachers regarding the reasons for their reassignments, develop procedures to periodically review the documents it began collecting under its May 2016 policy revision and determine whether those documents are consistent with its policy and with the facts of the individual reassignments.</p>	Pending	Los Angeles Unified School District
<p>6. To help reduce the impacts of removing teachers from classrooms because of alleged misconduct, LAUSD should take the following steps by April 2017:</p> <p>To ensure that it clearly informs reassigned teachers that they may voluntarily pursue professional development during their reassignments, including online training through LAUSD's Learning Zone program, revise the language in its standard reassignment documents.</p>	Pending	Los Angeles Unified School District
<p>7. To help reduce the impacts of removing teachers from classrooms because of alleged misconduct, LAUSD should take the following steps by April 2017:</p> <p>To ensure that substitutes do not exceed assignment time limits that state law and regulations have established, formalize its recent practice of reviewing assignments of substitutes in its Smart Find system weekly. As part of this formalized practice, LAUSD should review open teacher reassignments to ensure that the Smart Find system includes all substitute assignments for those teachers.</p>	Pending	Los Angeles Unified School District

**Report Number 2016-110**  
*Trade Apprenticeship Programs: The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To ensure that the Air Conditioning Trade Association (ACTA) was reimbursed only for allowable costs from fiscal years 2010–11 through 2014–15, Central Unified School District (Central Unified) should determine how much it reimbursed ACTA for unallowable activities and work with the Community Colleges Chancellor's Office to determine how to recover those funds from ACTA.	Pending	Central Unified School District
5. To ensure that Central Unified correctly reimburses state funds to ACTA, Central Unified should develop a process—like the one it currently has for its other two apprenticeship programs—to verify that ACTA's apprentices have attended the online training courses for the corresponding hours ACTA reports. Further, Central Unified should ensure that it reimburses apprenticeship programs only for allowable activities.	Pending	Central Unified School District
6. To limit its risk and to clarify its roles and responsibilities as they relate to ACTA, Central Unified should update its agreement with ACTA to reflect each party's current roles and responsibilities. Further, Central Unified should periodically update this agreement to ensure that the agreement continues to reflect current roles and responsibilities.	Pending	Central Unified School District
7. To ensure that LEAs develop sound contract agreements with apprenticeship programs, the Chancellor's Office and the apprenticeship division should develop a model agreement to outline the types of information, roles, and responsibilities for both parties as the Education Code requires and make this model agreement available to K-12 LEAs by April 2017. In addition, this model agreement should specify that K-12 LEAs will verify that the apprentices have attended the instructional courses by collecting supporting documentation such as sign-in sheets or rosters.	Pending	Community Colleges Chancellor's Office
10. To ensure accountability, the Legislature should amend state law to clarify that the Chancellor's Office has the authority to provide accounting guidance to and conduct audits of the K-12 LEAs' oversight of apprenticeship training funds.	Pending	Legislature

**Report Number 2016-112**  
*School Library Services: Vague State Laws and a Lack of Monitoring Allow School Districts to Provide a Minimal Level of Library Services (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that students receive a level of library services that better aligns with the model standards, the Legislature should define the minimum level and types of library services that schools must provide.	Pending	Legislature
2. To ensure that students receive a level of library services that better aligns with the model standards, the Legislature should broaden the authority of the California Commission on Teacher Credentialing (Teacher Credentialing) and the county offices of education to address classified staff who perform duties that require certification.	Pending	Legislature
3. To strengthen its library programs and help the State assess the condition of school libraries statewide, Redlands Unified School District (Redlands Unified) should ensure that teacher librarians are involved in the selection of library materials at each school.	Pending	Redlands Unified School District
4. To strengthen its library programs and help the State assess the condition of school libraries statewide, Redlands Unified should consider ways to leverage the teacher librarians it already employs to offer a broader range of services to all grade levels.	Pending	Redlands Unified School District
5. To strengthen its library programs and help the State assess the condition of school libraries statewide, Redlands Unified should use the model standards to assess the needs of its school library programs and address any identified needs during its local control accountability plan (LCAP) process.	Pending	Redlands Unified School District
6. To strengthen its library programs and help the State assess the condition of school libraries statewide, Redlands Unified should require its schools to participate in Education's annual school library survey.	Pending	Redlands Unified School District

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To strengthen its library programs and help the State assess the condition of school libraries statewide, San Juan Unified School District (San Juan Unified) should ensure that teacher librarians are involved in the selection of library materials at each school.	Pending	San Juan Unified School District
8. To strengthen its library programs and help the State assess the condition of school libraries statewide, San Juan Unified should consider ways to leverage the teacher librarians it already employs to offer a broader range of services to all grade levels.	Pending	San Juan Unified School District
9. To strengthen its library programs and help the State assess the condition of school libraries statewide, San Juan Unified should use the model standards to assess the needs of its school library programs and address any identified needs during its LCAP process.	Pending	San Juan Unified School District
10. To strengthen its library programs and help the State assess the condition of school libraries statewide, San Juan Unified should require its schools to participate in Education's annual school library survey.	Pending	San Juan Unified School District
11. To strengthen its library programs and help the State assess the condition of school libraries statewide, Woodlake Unified School District (Woodlake Unified) should ensure that teacher librarians are involved in the selection of library materials at each school.	Pending	Woodlake Unified School District
12. To strengthen its library programs and help the State assess the condition of school libraries statewide, Woodlake Unified should consider ways to leverage the teacher librarians it already employs to offer a broader range of services to all grade levels.	Pending	Woodlake Unified School District
13. To strengthen its library programs and help the State assess the condition of school libraries statewide, Woodlake Unified should use the model standards to assess the needs of its school library programs and address any identified needs during its LCAP process.	Pending	Woodlake Unified School District
14. To strengthen its library programs and help the State assess the condition of school libraries statewide, Woodlake Unified should require its schools to participate in Education's annual school library survey.	Pending	Woodlake Unified School District
15. To strengthen school library programs in its county and help school districts comply with state law, the Sacramento County Office of Education should provide guidance to its school districts on using teacher librarians for the provision of library services, completing Education's annual school library survey, and identifying the needs of their school library programs by using the model standards as part of their LCAP process.	Pending	Sacramento County Office of Education
16. To strengthen school library programs in its county and help school districts comply with state law, the San Bernardino County Superintendent of Schools should provide guidance to its school districts on using teacher librarians for the provision of library services, completing Education's annual school library survey, and identifying the needs of their school library programs by using the model standards as part of their LCAP process.	Pending	San Bernardino County Superintendent of Schools
17. To strengthen school library programs in its county and help school districts comply with state law, the Tulare County Office of Education should provide guidance to its school districts on using teacher librarians for the provision of library services, completing Education's annual school library survey, and identifying the needs of their school library programs by using the model standards as part of their LCAP process.	Pending	Tulare County Office of Education
18. To strengthen its monitoring of staff assignments, Teacher Credentialing should work with Education to identify potential misassignments by comparing annually the staffing information reported by school districts to Education against Teacher Credentialing's credentialing records. Further, Teacher Credentialing should incorporate misassignments identified using Education's data into its existing notification, reporting, and sanctioning structure. If Teacher Credentialing believes it needs express statutory authority to do so, it should seek it.	Pending	California Commission on Teacher Credentialing
19. To better understand the condition of school libraries statewide and to raise stakeholders' awareness of the State Board of Education's (State Education Board) adopted model standards, Education should redesign its annual school library survey to solicit answers that will better help Education determine whether schools are implementing the model standards and better assess the type and extent of library services the schools provide.	Pending	Department of Education
20. To better understand the condition of school libraries statewide and to raise stakeholders' awareness of the State Education Board's adopted model standards, Education should use its directory of school districts to notify administrators about the annual school library survey and remind them that participation is mandatory.	Pending	Department of Education



RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>21. To better understand the condition of school libraries statewide and to raise stakeholders' awareness of the State Education Board's adopted model standards, Education should work with the State Education Board to incorporate consideration of all academic content and performance standards adopted by the State Education Board into the tools that guide the Local Control Funding Formula (LCFF) process, including but not limited to the LCAP template, the evaluation rubrics, and publicly funded LCFF/LCAP trainings, such as those offered by the California Collaborative for Educational Excellence.</p>	Pending	Department of Education
<p>22. To better understand the condition of school libraries statewide and to raise stakeholders' awareness of the State Education Board's adopted model standards, Education should work with Teacher Credentialing to assist it in identifying potential misassignments by providing staffing information reported by school districts to Teacher Credentialing by April of each academic year.</p>	Pending	Department of Education
<p>23. To better understand the condition of school libraries statewide and to raise stakeholders' awareness of the State Education Board's adopted model standards, Education should identify school districts that reported employing significantly fewer teacher librarians in fiscal year 2015–16 than in previous years and verify the accuracy of their fiscal year 2015–16 reports.</p>	Pending	Department of Education



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

**Report Number 2014-136**

*Coastal Improvement Fund (January 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that the public is informed of Los Angeles County's (county) plans for using the Coastal Improvement Fund (improvement fund), the county needs to more clearly communicate its intentions and then update such communications as its plans change. The county's communications could be as simple as a public notice and a posting to its website that include the following:</p> <ul style="list-style-type: none"> <li>• Information on the specific projects and parcels in Marina del Rey where it intends to spend money from the improvement fund for the development of open space (or a time frame for making such a decision).</li> <li>• The time frame for the expected start and completion of such projects.</li> </ul>	Fully Implemented	Los Angeles County Department of Regional Planning
<p>2. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to Public Works. Specifically, such policies should include a protocol for how the county Department of Regional Planning communicates the amount due to the Department of Beaches and Harbors (Beaches and Harbors).</p>	Fully Implemented	Los Angeles County Department of Regional Planning
<p>3. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to the Department of Public Works (Public Works). Specifically, such policies should include a protocol for how Beaches and Harbors informs Public Works that the developer has paid the fee to the improvement fund.</p>	Fully Implemented	Los Angeles County Department of Beaches and Harbors
<p>4. To ensure that developers do not receive project credits to which they are not entitled, the county should develop a mechanism that will allow its enforcement unit to verify that the developer actually earned the credits it received.</p>	Fully Implemented	Los Angeles County Department of Regional Planning

**Report Number 2014-124**

*California's Alternative Energy and Efficiency Initiatives: Two Programs Are Meeting Some Goals, but Several Improvements Are Needed (February 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To make certain that the research program contributes to the goals of the solar initiative, the California Public Utilities Commission (CPUC) should conduct a program evaluation before the remaining grant projects are completed.</p>	Not Fully Implemented	California Public Utilities Commission
<p>2. Because the thermal program has not been successful in meeting the goals outlined in state law, the Legislature should consider whether it wants to continue authorizing the collection of ratepayers' money to fund the program.</p>	No Action Taken	Legislature
<p>3. To show how air pollution emissions reductions related to the solar initiative benefit the State, the CPUC should include in future reports the measurable benefits of those reductions.</p>	Not Fully Implemented	California Public Utilities Commission
<p>5. To ensure that the decal fee is sufficient to reimburse program costs, the Department of Motor Vehicles (Motor Vehicles) should periodically perform a full cost analysis of the Clean Air Vehicle Decal Program and update the fee accordingly.</p>	Partially Implemented	Department of Motor Vehicles

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**Report Number 2014-105***Los Angeles Department of Water and Power: Consequences Linked to Its Premature Launch of Its Customer Information System May Push Total Costs Beyond \$200 Million (March 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the Los Angeles Board of Water and Power Commissioners (board) can more effectively exercise oversight for the Los Angeles Department of Water and Power's (department) significant information technology projects, the board should establish a standing committee comprised of board members to oversee and critically evaluate the status of the department's various information technology projects. Given the limited tenure of board members and the potential for multiyear and high-cost information technology projects, the board president should consider appointing as many committee members as practicable in order to promote continuity of oversight.	Not Fully Implemented	Los Angeles Department of Water and Power
2. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop reporting standards for the department's management to follow when discussing the status of information technology projects with the standing committee or the board. Such reporting standards should, at a minimum, specify the frequency with which the department's management makes such reports and require the following disclosures about each information technology project: <ul style="list-style-type: none"> <li>• The amount of project growth, in terms of both budget and scope of work, from initial project estimates through current projections.</li> <li>• The results from system testing and a listing of the critical defects that exist and must be fixed prior to system use.</li> <li>• The concerns the quality assurance contractor has raised and how the department is addressing them.</li> </ul>	Not Fully Implemented	Los Angeles Department of Water and Power
3. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop a process for the board to designate certain information technology projects as having a potentially significant effect on business operations or customer relations, and require that department managers first obtain the board's approval before launching such critical new systems.	Not Fully Implemented	Los Angeles Department of Water and Power
4. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a centralized listing of all employees participating in each stage of the contracting process (proposal development, bid evaluation, and contract award), and who are required to submit conflict-of-interest disclosure forms per the board's policy.	Fully Implemented	Los Angeles Department of Water and Power
5. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a central depository of the conflict-of-interest certifications submitted by each employee.	Fully Implemented	Los Angeles Department of Water and Power

**Report Number 2014-120***California Public Utilities Commission: It Needs to Improve the Quality of Its Consumer Complaint Data and the Controls Over Its Information Systems (April 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the commission has the information it needs to better report on Voice over Internet Protocol (VoIP)-related complaints, the Legislature should give the CPUC the authority to collect information from providers regarding their VoIP customers and require VoIP providers to furnish this information to the commission.	No Action Taken	Legislature
2. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in CIMS, the CPUC Consumer Affairs Branch (branch) should update and provide further training to its staff on properly classifying complaints by September 30, 2015.	Fully Implemented	California Public Utilities Commission
3. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in the Consumer Information Management System (CIMS) database, the branch should continue to implement its quality management team program component focused on reviewing the categorization of complaints and correcting identified errors.	Not Fully Implemented	California Public Utilities Commission

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in CIMS, the branch should develop and implement tools by September 30, 2015, to measure the quality management team program's effectiveness.	Not Fully Implemented	California Public Utilities Commission
5. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in CIMS, the branch should update by June 30, 2015, its guidance for categorizing complaints to better integrate with the BRM. For example, the guidance should specify that nonjurisdictional complaints should be classified as such.	Fully Implemented	California Public Utilities Commission
6. To ensure that policy makers, enforcement officials, and the general public have access to more complete and meaningful consumer complaints data in CIMS, the branch should, to the fullest extent possible, include the attributes of each complaint in the data it records in CIMS.	Fully Implemented	California Public Utilities Commission
7. To ensure that branch staff provide the appropriate assistance to consumers with VoIP-related complaints, the branch should, by September 30, 2015, further train its staff on the requirements of the VoIP job aid and on providing correspondence to complainants as its guidelines require.	Fully Implemented	California Public Utilities Commission
8. To ensure that consumers have access to complaint data that will enhance their ability to make informed choices about their telecommunication services, the branch should, by June 30, 2015, create an updated plan that specifies the types of data the branch intends to post online and a timeline for fully implementing that plan.	Fully Implemented	California Public Utilities Commission
9. To ensure that it can assess the value to the public of the complaint data it presents on its website, the branch should create a process for those who view its complaint data to provide feedback to the branch including, if necessary, modifying the survey that it uses to collect feedback on limited English proficiency consumer data.	Fully Implemented	California Public Utilities Commission
10. To ensure that the public can easily locate customer complaint data the branch publishes on its website, the commission should make navigating to its customer complaint data more intuitive and direct.	Fully Implemented	California Public Utilities Commission
11. The commission should ensure that it complies with all policy requirements in the <i>State Administrative Manual (SAM)</i> Chapter 5300 no later than April 2016.	Not Fully Implemented	California Public Utilities Commission
12. As part of developing, implementing, and maintaining an entity wide information security program, the commission should complete and maintain inventory of all its information assets, specifically categorizing the level of required security of the information assets based on the potential impact that a loss of confidentiality, integrity, or availability of such information would have on its operations and assets.	Not Fully Implemented	California Public Utilities Commission
13. As part of developing, implementing, and maintaining an entity wide information security program, the commission should develop a risk management and privacy plan and conduct an assessment of risks facing its information assets.	Not Fully Implemented	California Public Utilities Commission
14. As part of developing, implementing, and maintaining an entity wide information security program, the commission should develop, implement, and maintain an information security plan as part of its entity wide information security program.	Not Fully Implemented	California Public Utilities Commission
15. The commission should develop, disseminate, and maintain an incident response plan.	Not Fully Implemented	California Public Utilities Commission
16. The commission should revise its existing recovery plan to include a list of applications supporting critical business functions, their maximum acceptable outage time frames, and detailed recovery strategies for each application.	Not Fully Implemented	California Public Utilities Commission
17. The commission should revise its existing recovery plan to include detailed procedures for rebuilding its technology infrastructure at an alternate processing site.	Not Fully Implemented	California Public Utilities Commission
18. The commission should conduct regular tests and exercises to assess the sufficiency of the revised recovery plan and refine the plan when necessary.	Not Fully Implemented	California Public Utilities Commission
19. The commission should ensure that any certifications it submits to Technology Department accurately represent its information security environment.	Fully Implemented	California Public Utilities Commission

**Report Number 2014-122***Ross Valley Sanitary District: The Board and Management Have Only Recently Begun to Address Significant Weaknesses in the District's Financial and Administrative Functions (April 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The Ross Valley Sanitary District (district) Board of Directors (board) should ensure that management continues to develop and strengthen its controls over the district's financial and administrative functions. For example, district management should fully implement all of the external auditor's remaining recommendations by June 30, 2015. Management should also ensure that its staff follow these policies and should create and implement a plan for monitoring its system of controls. The board should also consider periodically contracting with qualified professionals to conduct a review of the effectiveness of the district's system of internal controls.	Pending	Ross Valley Sanitary District
2. The district should strengthen its financial and administrative policies to make it clear that the activities of approving invoices, recording invoices, preparing checks, and reconciling bank statements to the district's records should be performed by separate individuals.	Pending	Ross Valley Sanitary District
3. The district should strengthen its financial and administrative policies to make it clear who is responsible for reviewing and approving monthly bank reconciliations.	Pending	Ross Valley Sanitary District
4. The district should strengthen its financial and administrative policies to limit California lodging costs to the rate set by the State for its employees, and limit any out-of-state lodging costs to rates set by the federal government for its employees. In addition, the district should remove from its travel policy the reimbursement for exercise equipment use.	Pending	Ross Valley Sanitary District
5. The district should strengthen its financial and administrative policies to require periodic reporting of financial information to the board.	Fully Implemented	Ross Valley Sanitary District
6. The district should strengthen its financial and administrative policies to require a periodic review to ensure that only appropriate personnel are included as authorized signers on financial accounts.	Fully Implemented	Ross Valley Sanitary District
7. The district should strengthen its financial and administrative policies to establish an appropriate system for tracking and valuing inventory.	Pending	Ross Valley Sanitary District
8. The district should strengthen its financial and administrative policies to require employees to obtain their supervisor's approval before working paid overtime.	Pending	Ross Valley Sanitary District
9. The district should strengthen its financial and administrative policies to do the following: Require all employees, including managers, to complete timesheets to track time worked and any compensated time off.	Fully Implemented	Ross Valley Sanitary District
10. The district should strengthen its financial and administrative policies to develop and document a process for reviewing and monitoring designated employees' and board members' filing of Form 700.	Fully Implemented	Ross Valley Sanitary District
11. The district should strengthen its financial and administrative policies to do the following: Develop and document a policy that requires board members and designated employees to attend ethics training biannually and a process for monitoring attendance.	Fully Implemented	Ross Valley Sanitary District
12. To clarify the roles and responsibilities of board members, the district should create a more comprehensive board member manual that describes all of the board's roles and fiduciary responsibilities. This manual should address the best practices contained in the California Special Districts Association's Special District Board Member/Trustee Handbook. The district should also provide for additional training for board members in the following areas over which they exercise important responsibilities: financial management, contracting, emergency procurement, and human resources.	Pending	Ross Valley Sanitary District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13. The board should reduce the salary ranges for all positions in the district's salary schedules to better align with comparable positions at comparable sanitation agencies. While we are not suggesting that the board cut current salaries of its employees, it is imperative that the board reduce the salary ranges in its salary schedules before more employees reach the top step of their respective salary ranges. The board should also ensure that COLAs are tied to an appropriate cost-of-living index and that any merit raises are based on satisfactory performance that is documented in an appraisal. Further, the board should either justify its need for longevity pay to attract and retain qualified employees or discontinue its practice of offering longevity pay to those employees who are not already receiving this extra pay. In addition, the district should revise its employee retirement contribution policy to require all employees to contribute an appropriate amount to their pensions and should discontinue its practice of reimbursing its represented employees up to \$300 annually for gym memberships. The board should make these changes for unrepresented employees immediately and should seek to make these changes for represented employees by negotiating with the American Federation of State, County, and Municipal Employees Local 2167 when the current MOU expires in July 2015.	Fully Implemented	Ross Valley Sanitary District
14. To ensure that employee compensation remains appropriate after making the changes described in the previous recommendation, the board should develop robust policies that outline how it will establish future compensation for all district positions. This policy should require the district to conduct a salary survey of comparable sanitation agencies to determine what compensation levels are appropriate for the job duties of district positions and to present the results to the board.	Pending	Ross Valley Sanitary District
15. To ensure that it follows state law and its policies for emergency procurement, the board should review and reapprove all emergencies at each board meeting subsequent to the initial emergency declaration and should terminate emergency declarations as soon as possible to ensure that it competitively bids any work that is no longer an emergency.	Fully Implemented	Ross Valley Sanitary District
16. The district should ensure that it hires qualified vendors at a reasonable price by using a competitive process when contracting for professional services. When this is not possible or appropriate given the nature of the services, the district should adequately justify its use of a noncompetitive process (sole-source procurement). In addition, the district should obtain a written description of services to be provided (scope of services) and a cost estimate from legal counsel before engaging in litigation.	Fully Implemented	Ross Valley Sanitary District
17. The district should ensure that it has access to qualified human resources professionals, whether contracted or in-house, to assist staff when handling human resources issues.	Fully Implemented	Ross Valley Sanitary District
18. The district should implement the remaining recommendations contained in its human resources consultants' work plan by the targeted dates shown in Table 3 on page 18 of our report, and improve its performance management system to ensure that staff receive required annual performance evaluations.	Pending	Ross Valley Sanitary District
19. The district should implement the remaining recommendations contained in its human resources consultants' work plan by the targeted dates shown in Table 3 on page 18 of our report, and develop and document a policy that requires board members and supervisors to attend harassment prevention training biannually and a process for monitoring their attendance.	Pending	Ross Valley Sanitary District
20. To ensure that compensation for the general manager remains reasonable, and to prevent the excesses that existed in the former general manager's contract, the district should develop a policy that establishes the criteria to be used when periodically evaluating the general manager's performance and for determining any merit-based compensation increases.	Fully Implemented	Ross Valley Sanitary District

**Report Number 2014-132**

*Apple Valley Area Water Rates: Differences in Costs Affect Water Utilities' Rates, and One Utility May Have Spent Millions of Ratepayer Funds Inappropriately (April 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To assist low-income water customers, the Hesperia Water District (Hesperia) should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement a rate assistance program.	Will Not Implement	Hesperia Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To assist low-income water customers, the Victorville Water District (Victorville) should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement a rate assistance program.	Will Not Implement	Victorville Water District
3. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Fully Implemented	Apple Valley Ranchos Water Company
4. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Pending	Golden State Water Company
5. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Fully Implemented	Hesperia Water District
6. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Will Not Implement	Victorville Water District
7. To ensure that it does not use revenues from ratepayers for inappropriate purposes, by October 2015, Victorville should revise its policies to prohibit transfers or loans of water fee revenue for nonwater district purposes. Victorville should also revise its investment policy that specifies the circumstances under which it can invest water revenues—setting prudent limits on its investment in assets that the Victorville city council manages.	Will Not Implement	Victorville Water District
8. To address the excess interest expense resulting from loans to the city of Victorville and the building of the wastewater plant, Victorville should seek reimbursement from the city for its unrecovered costs. Victorville should work with the city to prepare and submit to the water district board and the Victorville city council by October 2015 a formal repayment plan including specific dates and payments to be made to ensure that the water district and its ratepayers are made whole. When the water district board approves such a plan, it should take steps to ensure compliance with the repayment plan.	Will Not Implement	Victorville Water District

**Report Number 2015-608**

*High Risk—State Departments Need to Improve Their Workforce and Succession Planning Efforts to Mitigate the Risks of Increasing Retirements (May 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. The California Department of Transportation (Caltrans) should develop a process by December 2015 to measure and evaluate its workforce and succession planning activities at least annually, and update its plans as necessary, to ensure that its activities are effective. This process should include evaluating the trends in retirements for leadership and technical positions.	Fully Implemented	Department of Transportation
12. Caltrans should identify a key resource, such as a unit, by June 30, 2015, to track the results of workforce and succession planning activities across the department to ensure that the workforce and succession planning activities it implements are monitored on a department wide level.	Fully Implemented	Department of Transportation
14. Caltrans should develop a comprehensive workforce and succession master plan by December 2015 to ensure that it is adequately prepared for the retirement of a significant number of its highly experienced employees. The plan should include current best practices that meet its organizational needs.	Fully Implemented	Department of Transportation



**Report Number 2015-506**

*Follow-Up—California Department of Motor Vehicles: It Still Has Not Ensured It Charges and Advertises Fees for Some Special Interest License Plates Consistent With State Law (July 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure it charges fees for special plates that are consistent with state law, Motor Vehicles should begin charging the correct fees for transferring an Olympic Training Center plate and to convert a personalized plate to a personalized Collegiate plate by March 31, 2016.	Fully Implemented	Department of Motor Vehicles

**Report Number I2015-1**

*Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Train the division chief, maintenance manager, administrative manager, and business services supervisor regarding the proper procedures for disposing of state-owned surplus property and for handling recycling proceeds.	Fully Implemented	Department of Water Resources
2. Establish a policy requiring valuable surplus property that will be recycled to be set apart and separately weighed to maximize the recycling proceeds.	Fully Implemented	Department of Water Resources
3. Develop an internal control process to ensure that each field division properly documents, tracks, safeguards, and promptly deposits all checks received into the Department of Water Resources' (Water Resources) accounts.	Fully Implemented	Department of Water Resources
4. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should continue its efforts to recover the undercharged rent from the telecommunications companies.	Partially Implemented	Department of Transportation
5. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should ensure that accounting records accurately reflect the funds received and owed to Caltrans from the telecommunications companies.	Fully Implemented	Department of Transportation
6. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should establish a process and train the two District 4 right-of-way agents to ensure that they consistently adjust rental rates in accordance with license provisions. The process should include a method to calculate and notify each telecommunications company of its annual rental rate before the payment is due on July 1 of each year.	Fully Implemented	Department of Transportation
7. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should provide sufficient training to the supervisor in District 4 to ensure that he has a necessary understanding of the license provisions and process so he can provide adequate oversight to the program's right-of-way agents.	Fully Implemented	Department of Transportation
8. Take the appropriate disciplinary action to address Supervisor A's neglect of duty.	Resolved	Department of Transportation
9. Provide appropriate counseling and training to the district staff management involved so that they are aware of the proper procedures of maintaining daily reports and recording, reviewing, and approving accurate time sheets.	Fully Implemented	Department of Transportation
23. Take disciplinary action against the senior personnel specialist to ensure that she fully and accurately accounts for her time.	Fully Implemented	Department of Forestry and Fire Protection
24. Recover \$848 for the 32 hours of leave the senior personnel specialist did not use for being late during the period of investigation.	Fully Implemented	Department of Forestry and Fire Protection
25. Require the supervisor to provide the senior personnel specialist with a formal annual performance evaluation so that both parties understand office expectations for arriving to work on time and reporting absences and tardiness.	Fully Implemented	Department of Forestry and Fire Protection
26. Take disciplinary action against the supervisor to ensure that he properly supervises his employees and ensures they are fully and accurately accounting for their time.	Fully Implemented	Department of Forestry and Fire Protection

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## Report Number 2015-102

*Central Basin Municipal Water District: Its Board of Directors Has Failed to Provide the Leadership Necessary for It to Effectively Fulfill Its Responsibilities (December 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure the stability of Central Basin Municipal Water District's (district) operations, by June 2016 the district's Board of Directors (board) should establish a formal policy for hiring for the general manager position. Because the current general manager is on a contract set to expire in May 2017, the board should initiate the hiring process for a new general manager or begin the process of renegotiating the contract with the current general manager in the fall of 2016.	Fully Implemented	Central Basin Municipal Water District
2. To better address potential ethical violations, the district should implement by June 2016 a means for investigating board members' and staff's potential violations of the district's code of conduct and conflict-of-interest code that would insulate those investigations from undue influence from either the board or the general manager.	Fully Implemented	Central Basin Municipal Water District
3. To evaluate its progress toward its goals and objectives, the district should use its recently adopted strategic plan and issue an annual report that describes the steps it has taken toward achieving the goals and objectives in the strategic plan.	Fully Implemented	Central Basin Municipal Water District
4. To ensure its long-term financial sustainability, the board should complete a long-term financial plan no later than December 2016.	Fully Implemented	Central Basin Municipal Water District
5. To ensure its water rate structure is appropriate to provide the revenue necessary to cover its legitimate costs, the district should complete its planned water rate study no later than the spring of 2017.	Fully Implemented	Central Basin Municipal Water District
6. To strengthen its financial stability against present and future uncertainties, the district should follow its recently adopted reserve policy.	Fully Implemented	Central Basin Municipal Water District
7. To ensure that it continues to take steps to improve its financial condition and avoids additional costs due to downgrades of its debt credit ratings, the district should immediately create a formal debt management policy. This policy should clearly define its credit objectives and provide guidelines for suitable debt agreements. This policy should also require the district to periodically monitor its specific financial ratios, such as its debt coverage ratio, that are relevant to its credit rating.	Fully Implemented	Central Basin Municipal Water District
8. To help it maintain its current insurance coverage and better position it to negotiate for more cost-effective and appropriate coverage in the future, the board should immediately adopt a policy requiring a four-fifths majority to terminate the district's general manager. Further, the board should review the district's insurance coverage annually and renegotiate costs and coverage amounts as necessary, particularly as the district resolves outstanding legal claims against it.	Fully Implemented	Central Basin Municipal Water District
9. To ensure it holds itself accountable to the public, the district should follow the law and operate in an open and transparent manner by, among other things, disclosing to the public the true nature and purpose of all of its expenditures. To ensure its board makes informed decisions on when it is proper to hold discussions and take votes in closed-session meetings, the district should require its board members to attend training—as soon as possible and biennially thereafter—specifically focused on the Brown Act and its closed-meeting requirements.	Fully Implemented	Central Basin Municipal Water District
10. To make better use of the funds it spends on services, the district should amend its administrative code by June 2016 to limit its sole-source contracts to emergency circumstances and circumstances in which only one vendor can meet the district's needs. Further, before executing any sole-source contracts, the district should require written justification demonstrating the reasons for not competitively bidding the services. The justification should include the background of the purchase, a description of the vendor's uniqueness, an explanation of the consequences of not purchasing from the vendor, market research to substantiate a lack of competition, and an analysis of pricing and alternatives.	Fully Implemented	Central Basin Municipal Water District
11. To ensure that it does not unnecessarily use amendments that limit competitive bidding for its contracts, the district should amend its administrative code by June 2016 to require that it rebid contracts if it significantly changes those contracts' scopes of work, specifically the nature of the services or work products.	Fully Implemented	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To ensure its contract amendments reflect the authorization of the board, the district should revise its administrative code to require the general manager to submit a quarterly report to the district's board detailing all its contracts, contract amendments, and contract and amendment dollar amounts.	Fully Implemented	Central Basin Municipal Water District
13. To ensure it receives the best value from its contracts, the district should adopt and implement a policy by June 2016 requiring that it include in all its contracts' scopes of work specific, well-defined deliverables, measurable results, timelines or progress reports, and evaluations of the contractors once they complete the work.	Fully Implemented	Central Basin Municipal Water District
14. To ensure it receives the best value from its contracts, the district should ensure project managers verify services were rendered before approving invoices for payment by June 2016.	Fully Implemented	Central Basin Municipal Water District
15. To ensure it receives the best value from its contracts, the district should create processes by June 2016 for project managers to organize and retain contract files that include important documents such as vendor performance and deliverable verification and acceptance.	Fully Implemented	Central Basin Municipal Water District
16. To ensure its employees are able to properly administer contracts, by September 2016 the district should follow through with its plan to require that staff responsible for project management attend training by a reputable trainer on contract management.	Fully Implemented	Central Basin Municipal Water District
17. To minimize its risk when contracting with vendors, the district should adhere to its administrative code and execute all contracts only after approval by its general counsel. Further, the district should amend its administrative code to prohibit engaging in a verbal contract. Finally, the district should continue to report to its finance committee all sole-source contracts and contracts entered under the general manager's authority.	Fully Implemented	Central Basin Municipal Water District
18. To ensure its expenditures do not constitute gifts of public funds, the district should immediately eliminate its allocation of funds to individual board members for community outreach.	Fully Implemented	Central Basin Municipal Water District
19. To ensure its expenditures do not constitute gifts of public funds, the district should develop policies that specify limitations on the types of activities it will sponsor in the future to ensure that it funds only those organizations whose activities have a direct link to its authorized purposes. For example, it should eliminate its purchase of holiday turkeys.	Fully Implemented	Central Basin Municipal Water District
20. To ensure its expenditures do not constitute gifts of public funds, the district should revise its administrative code by June 2016 to include more specific guidance as to what constitutes a reasonable and necessary use of public funds. The guidance should establish restrictions on the amount spent for board member installation ceremonies. It should also include a process for the district to ensure that expenses are reasonable and necessary before it pays them.	Fully Implemented	Central Basin Municipal Water District
21. To ensure it considers the most qualified candidates for positions, the district should follow its established hiring policies. Specifically, it should use a competitive hiring process and ensure that its board first formally approves all positions for which the district recruits. Further, the district should consider for employment only individuals who meet the established minimum qualifications for the positions for which they have applied. If the district believes certain qualifications are not necessary for a position, it should indicate in the position description that such qualifications are desirable but not required.	Fully Implemented	Central Basin Municipal Water District
22. To ensure that it does not inappropriately grant undeserved raises to its staff, the district should follow its policy to provide annual performance evaluations to all employees.	Fully Implemented	Central Basin Municipal Water District
23. To ensure it is efficiently using its resources, the district should eliminate its board members' automobile or transportation allowances and instead reimburse them based on their business mileage or transit use.	Partially Implemented	Central Basin Municipal Water District
24. To ensure it is efficiently using its resources, the district should periodically analyze and, beginning in June 2016, report to the board whether all elements of its board member compensation, including health and related benefits, are appropriate and reflect the common practices of special districts.	Fully Implemented	Central Basin Municipal Water District
25. To ensure it is efficiently using its resources, the district should adopt a policy that its general managers will participate in benefits at the same level as district staff and that the board will negotiate the general managers' contracts on the basis of salary and not other benefits, such as retirement.	Fully Implemented	Central Basin Municipal Water District

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
26. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for air travel that is coach or an equivalent class.	Fully Implemented	Central Basin Municipal Water District
27. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for meetings and conferences that have a direct connection to water policy or the district's mission. It should update its list of such preapproved meetings accordingly.	Fully Implemented	Central Basin Municipal Water District
28. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for lodging expenses that reflect group or government rates, unless there is documentation that such rates are unavailable.	Fully Implemented	Central Basin Municipal Water District
29. To ensure it reimburses only reasonable and necessary meal expenses, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure that all board members and staff, especially those who process reimbursement claims, are familiar with its meal reimbursement limits.	Fully Implemented	Central Basin Municipal Water District
30. The district should revise its administrative code by June 2016 to prohibit paying for or reimbursing meals that occur within the local area that involve meetings either between only district representatives or between district representatives and the district's contractors.	Fully Implemented	Central Basin Municipal Water District
31. The district should revise its administrative code by June 2016 to prohibit paying for the costs of meals provided to third parties.	Fully Implemented	Central Basin Municipal Water District
32. To ensure it complies with state law and its own administrative code, the district should require board members to report back to the board on meetings and conferences they attend at the district's expense. The district should record these reports in meeting minutes or document them in expense files before it reimburses the board members for their travel expense claims.	Fully Implemented	Central Basin Municipal Water District
33. To ensure the efficient and effective delivery of imported and recycled water in southeastern Los Angeles County, the Legislature should pass special legislation to preserve the district as an independent entity but modify the district's governance structure. In doing so, the Legislature should consider a governance structure that ensures the district remains accountable to those it serves; for example, the district's board could be changed from one elected by the public at large to one appointed by the district's customers.	Legislation Enacted	Legislature

**Report Number I2016-1***Investigations of Improper Activities by State Agencies and Employees: Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. The Department of Fish and Wildlife (Fish and Wildlife) should take appropriate corrective or disciplinary action against the employee for his improper governmental activities, including reducing the employee's leave balance by 14 hours to account for the two days he did not work and did not attend the retirement fair.	Resolved	Department of Fish and Wildlife
3. Fish and Wildlife should recover \$323 related to the employee's inappropriate reimbursement and misuse of state resources.	Fully Implemented	Department of Fish and Wildlife
4. Fish and Wildlife should, in the future, require its employees to provide proof of their presence when attending trainings or business-related events on state time.	Resolved	Department of Fish and Wildlife
6. Water Resources should provide training to all officials who approve training requests regarding the difference between training categories, the maximum calendar year reimbursement limitations for each category, and the required documentation to support expense claims, including proof of attendance.	Pending	Department of Water Resources

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. Water Resources should amend the training request form and the training plan form to require that approving officials include written justification for the selected training category.	Pending	Department of Water Resources
8. Water Resources should amend the training request form to require that division chiefs or higher level executives provide written justification for their approval of reimbursements beyond the maximum \$2,000 per year amount allowed for job-related training.	Pending	Department of Water Resources
9. Water Resources should provide training to all training coordinators regarding their responsibility to track each employee's total calendar year reimbursement for each training category other than job-required training.	Pending	Department of Water Resources
10. Water Resources should require division chiefs and the training chief to review and approve training requests for all job-required and job-related training.	Resolved	Department of Water Resources
11. Water Resources should require the last official who approves an employee's expense claim for job-required and job-related training to forward that claim to the training division, the division of fiscal services, or both, for a separate review of the employee's training forms and supporting documents before Water Resources reimburses the employee.	Pending	Department of Water Resources

**Report Number 2015-120**

*California Department of Transportation: Its Maintenance Division's Allocations and Spending for Field Maintenance Do Not Match Key Indicators of Need (March 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better align the Caltrans Division of Maintenance's (maintenance division) allocations with districts' maintenance needs, the Legislature should include language in the Budget Act that requires the maintenance division to develop and implement a budget model for field maintenance by June 30, 2017, that takes into account key indicators of maintenance need, such as traffic volume, climate, service scores, and any other factors the maintenance division deems necessary to ensure that the model adequately considers field maintenance need.	No Action Taken	Legislature
2. To better align the maintenance division's allocations with districts' maintenance needs, the Legislature should include language in the Budget Act that requires the maintenance division to develop and implement a budget model for field maintenance by June 30, 2017, that takes into account key indicators of maintenance need, such as traffic volume, climate, service scores, and any other factors the maintenance division deems necessary to ensure that the model adequately considers field maintenance need. Once the model is developed, Caltrans should use it to inform appropriate allocations to the districts.	Pending	Department of Transportation
3. Caltrans should revise the language in its future five-year maintenance plans to accurately describe the method it uses to allocate field maintenance funding to its districts.	Pending	Department of Transportation
4. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should assess whether districts are using funds in a manner commensurate with indicators of need included in its new budget model.	Pending	Department of Transportation
5. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should implement the zone-level evaluation of service scores contemplated in the earlier budget model that it abandoned.	Pending	Department of Transportation
6. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should establish zone-specific service score goals for all of the field maintenance activities it deems critical to ensuring a safe and usable state highway system and require districts to meet those goals for all the zones within their borders.	Pending	Department of Transportation
7. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should implement the requirements for strategically planning field maintenance work that it previously included in its maintenance manual or develop similar requirements that it believes are feasible and ensure that supervisors plan and schedule field maintenance work based on service scores. Caltrans should require superintendents and regional managers to approve those plans. Caltrans should also require supervisors and superintendents to monitor progress toward improving service scores.	Pending	Department of Transportation

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>8. Caltrans should require its staff to verify and update the status of all outstanding service requests. Additionally, Caltrans should require supervisors to monitor completion of service requests by reviewing the data from the service request system monthly to identify service requests not completed after a period of time that Caltrans deems appropriate, such as 30 days. For all service requests outstanding after this period, Caltrans should require its supervisors to determine the status of the service request by reviewing the related work order that records what work Caltrans completed and ensure the work is appropriately prioritized. Also, Caltrans should require its staff to record all service requests it receives via methods other than Caltrans' website, such as by phone, mail, or email, in its service request system to ensure it captures all service requests in one central repository.</p>	<p>Pending</p>	<p>Department of Transportation</p>
<p>9. To detect and prevent fraud, waste, and abuse and to ensure costs are appropriate, the maintenance division should strengthen its controls over reviewing and approving work order costs by requiring its supervisors and superintendents to document their review and approval of work orders in the maintenance management system. For example, supervisors or superintendents could include a note in the comment field of the work order indicating their review and approval. The maintenance division could also establish a reasonable dollar threshold for those work orders that would require documented review and approval.</p>	<p>Fully Implemented</p>	<p>Department of Transportation</p>
<p>10. To ensure that field maintenance work orders are completed in a timely manner, the maintenance division should require supervisors to initiate work orders in the integrated maintenance management system at the time that they identify field maintenance work that needs to be performed and record the date that work was started and the date the work was completed. Superintendents should periodically review work orders to ensure that identified work is completed in a timely manner.</p>	<p>Fully Implemented</p>	<p>Department of Transportation</p>

**Report Number 2015-125**  
*San Joaquin Valley Air Pollution Control District: To Cover Its Costs, It Recently Increased Permit Fees and Continues to Use Supplemental Revenue but Can Improve Consistency and Transparency for Certain Program Requirements (April 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure consistency among its published policy, internal methodology, and indemnification agreements so that permit applicants are aware of the San Joaquin Valley Air Pollution Control District's (district) requirements and are treated equally, by July 2016 the district should update its internal methodology and indemnification agreements to contain equivalent information that reflect its revised published policy.</p>	<p>Fully Implemented</p>	<p>San Joaquin Valley Air Pollution Control District</p>
<p>2. To make certain that it can demonstrate consistency and transparency in its decision-making process when it determines which permit applicants it requires to provide additional financial security, the district—after it updates its guidance documents—should follow its revised published policy and updated internal methodology for requiring indemnification agreements and letters of credit.</p>	<p>Fully Implemented</p>	<p>San Joaquin Valley Air Pollution Control District</p>
<p>3. To ensure that the district is adequately protected from the costs of litigation, it should develop a protocol to maintain all required legal documents accurately and to make sure that those documents remain in effect. By July 2016, the district should adopt such a protocol for management of its centralized system for requesting, tracking, storing, and following up on indemnification agreements and letters of credit.</p>	<p>Fully Implemented</p>	<p>San Joaquin Valley Air Pollution Control District</p>

**Report Number I2016-2**  
*Investigations of Improper Activities by State Agencies and Employees: Conflict of Interest, Violation of Post-Employment Ethics Restrictions, Waste of State Funds, Misuse of State Resources, and Incompatible Activities (August 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. Take appropriate corrective action against the district engineer and the supervisors for their participation in or failure to address the conflict of interest.</p>	<p>Partially Implemented</p>	<p>Water Resources Control Board</p>
<p>2. Through training and other appropriate means, take steps to ensure the district engineer and others in similar positions do not participate in decisions involving their own economic interests.</p>	<p>Partially Implemented</p>	<p>Water Resources Control Board</p>

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. Provide training to those responsible for reviewing statements of economic interests regarding how to identify conflicts of interests and when to consult with legal counsel.	Pending	Water Resources Control Board
4. Refer this case to the Fair Political Practices Commission (FPPC) so it can determine whether further action is warranted.	Fully Implemented	Water Resources Control Board
13. Pursue rent and utility payments due from the mobile home park's tenants on a regular and timely basis. This will require that Caltrans develop a means to read the submeters of the mobile home park's tenants.	Partially Implemented	Department of Transportation
14. Initiate appropriate collection procedures and, if necessary, eviction procedures for tenants who are delinquent in the payment of rent, utilities, or late fees.	Partially Implemented	Department of Transportation
15. Immediately begin eviction procedures against the two individuals illegally occupying two mobile homes within the mobile home park.	Partially Implemented	Department of Transportation
16. Take appropriate corrective or disciplinary action against the officer for failing to follow policy in accepting items of value from a vendor who did business with State Parks.	Fully Implemented	Department of Parks and Recreation
17. Take appropriate corrective or disciplinary action against the supervisor for his failure to properly direct the officer to take appropriate action regarding the sunglasses and for purchasing a pair of the sunglasses.	Fully Implemented	Department of Parks and Recreation
18. Provide training to relevant staff on the appropriate actions to take if they receive something of value from any individual or entity that does business with State Parks.	Fully Implemented	Department of Parks and Recreation
23. Determine the total cost of the charges that the supervisor incurred due to her misuse of the state-issued cell phone and seek repayment.	Fully Implemented	Department of Parks and Recreation
24. Determine whether the supervisor misused state-compensated time to conduct personal business during her normal work hours by reviewing her cell phone records and identifying the time and duration of calls that occurred during her workdays.	Fully Implemented	Department of Parks and Recreation
25. Take appropriate corrective and disciplinary action against the supervisor for misusing her state-issued cell phone for personal purposes and, if applicable, for conducting private business during state-compensated time.	Fully Implemented	Department of Parks and Recreation
26. Provide training to right-of-way agents and their supervisors in District 10 regarding the challenges it faces with this mobile home park.	Partially Implemented	Department of Transportation

**Report Number 2016-104**

*California Public Utilities Commission: It Should Reform Its Rules to Increase Transparency and Accountability, and Its Contracting Practices Do Not Align With Requirements or Best Practices (September 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The Legislature should amend state law to direct the CPUC to adopt a standard that requires commissioners to recuse themselves from proceedings if a person who is aware of the facts may reasonably question whether a commissioner is able to act impartially.	No Action Taken	Legislature
2. To ensure that the choice of a vendor is sufficiently justified and that the vendor represents the best value, the CPUC should explain in its final decision how the vendor was the most qualified in all cases when the CPUC does not competitively select the vendor it directs utilities to contract with.	Pending	California Public Utilities Commission
3. The Legislature should amend state law to direct the CPUC to adopt rules for ex parte communications between CPUC commissioners and interested parties that include the following: <ul style="list-style-type: none"> <li>A requirement for CPUC commissioners to disclose any ex parte communications in which they participate, in addition to the existing requirement for interested party disclosure. This disclosure should occur within the same time frame as the interested party disclosure.</li> <li>A requirement that commissioners' disclosures include a description of the commissioners' communications and their contents.</li> </ul>	No Action Taken	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To avoid the appearance of inappropriate relationships, the CPUC should adopt a policy to prohibit commissioners from accepting gifts from regulated utilities and energy companies and free travel from organizations with significant ties to regulated utilities and other parties with financial interests in CPUC proceedings.	Pending	California Public Utilities Commission
5. The Legislature should amend Public Utilities Code section 632 to clarify that its provisions related to the Attorney General apply to the CPUC regardless of Government Code section 11041 and Public Utilities Code section 307.	No Action Taken	Legislature
6. To ensure that its contracting practices align with state requirements and best practices, the CPUC should update, distribute, and follow its contracting procedures manual. The manual should identify specific responsibilities for both contracts office staff and project managers, and it should provide specific guidance about the processes the CPUC will employ to do the following: <ul style="list-style-type: none"> <li>• Fully justify civil service exemptions.</li> <li>• Conduct market research for exempt contracts.</li> <li>• Fully support the need for additional funding.</li> <li>• Ensure that it does not change the scope of work too significantly from the original.</li> <li>• Monitor contractor performance against criteria included in its contracts.</li> <li>• Avoid sole-source contracts when it is able to solicit competitive bids for services.</li> </ul>	Pending	California Public Utilities Commission
7. To ensure that its contracting practices align with state requirements and best practices, the CPUC should provide immediate refresher training to its contract analysts and contracts office manager, and establish a regular schedule of annual training for them to attend.	Pending	California Public Utilities Commission
8. To ensure that its contracting practices align with state requirements and best practices, the CPUC should designate a limited number of project managers for each division at the CPUC, and provide those individuals with training on the CPUC's processes related to contracting, including how to monitor progress of a contractor's work.	Pending	California Public Utilities Commission
9. To ensure that its contracting practices align with state requirements and best practices, the CPUC should implement a supervisory review by the contracts office manager of proposed contracts and contract amendments to occur before contracts and amendments go to vendors for signature.	Pending	California Public Utilities Commission
10. The CPUC should update its general policy on responding to California Public Records Act requests so that the policy aligns with state law.	Pending	California Public Utilities Commission
11. The CPUC should develop and follow procedures to regularly track and review California Public Records Act requests it has not fully responded to and determine whether it can provide information.	Pending	California Public Utilities Commission
12. The CPUC should use its contract database to track the procurement method for each contract.	Pending	California Public Utilities Commission
13. The CPUC should update its regulations to require parties joining a proceeding by filing a protest or response to an application or petition, or by filing comments in response to a rulemaking proceeding to fully disclose their interests in the proceeding.	Pending	California Public Utilities Commission
14. The CPUC should ensure that it has accurate information about who is required to file statements of economic interests and then verify that all such persons file those statements when required.	Pending	California Public Utilities Commission
15. The CPUC should update and follow its retention policy for economic interest disclosures so that it is aligned with state law.	Pending	California Public Utilities Commission



## Senate Budget Subcommittee 3 on Health and Human Services

### Report Number 2014-113

*California Department of Public Health: Even With a Recent Increase in Federal Funding, Its Efforts to Prevent Diabetes Are Focused on a Limited Number of Counties (January 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. If state lawmakers desire the California Department of Public Health (Public Health) to increase its efforts to address diabetes, they should consider providing state funding to aid in those efforts. For instance, the Legislature could provide funding to establish a grants specialist position to identify and apply for federal and other grants.	No Action Taken	Legislature
2. To increase its efforts to prevent and control diabetes, Public Health should develop a process for identifying and applying for federal funding opportunities, including routinely and proactively searching for grants. In addition, Public Health should seek funding for a grants specialist position to identify and apply for federal and other grants.	Will Not Implement	Department of Public Health
3. To ensure that staff responsible for diabetes prevention have adequate knowledge and skills, Public Health should ensure that it follows its recently developed process to track training related to diabetes prevention for all employees participating in this effort.	Fully Implemented	Department of Public Health

### Report Number 2014-118

*California Department of Developmental Services: Its Process for Assessing Fees Paid by Parents of Children Living in Residential Facilities Is Woefully Inefficient and Inconsistent (January 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To help ensure that fees under the California Department of Developmental Services' (Developmental Services) Parental Fee Program are fair, the Legislature should require that the department's initial fee assessments, redeterminations, and its appeal-related evaluations be based upon the same information, and should require that parents have the opportunity to challenge Developmental Services' previous calculations for accuracy and completeness on appeal, and that any adjusted fee should be based on the approved fee schedule and not simply on the judgment of department staff. Before enacting this legislation, state lawmakers should verify that Developmental Services has reviewed and revised its initial fee assessment and redetermination process to clarify what expenses will be considered when determining whether parents qualify for fee reductions.	Legislation Enacted	Legislature
2. To ensure timelier fee assessments, Developmental Services should hold regional centers accountable for providing the monthly placement reports and copies of information letters required by state regulations. To encourage compliance, Developmental Services should specify in its regional center contracts that noncompliant regional centers will pay financial penalties equal to the amount of revenue lost because of their inaction.	Will Not Implement	Department of Developmental Services
3. To make the initial parental fee assessment and annual redetermination processes more efficient, consistent, and transparent, Developmental Services should determine, as part of a formal policy development process, what family expenses it will consider in its determination of parental fees and what components of the fee determination require documentation from the parents. Developmental Services should then clearly communicate these policies to parents and staff and should reinforce these policies with regular management review of fee assessments.	Fully Implemented	Department of Developmental Services
4. To ensure that the parental fee remains appropriate for each family's current financial condition, Developmental Services should complete annual redeterminations as specified in state regulations. To this end, department management should create a mechanism to determine which accounts have not had a redetermination as required and should follow up with staff to ensure that this work is completed.	Fully Implemented	Department of Developmental Services
5. Developmental Services should eliminate inconsistency between the information it accepts and analyzes as part of the initial fee determination and the information it reviews as part of the appeals process. The fees reassessed during the appeals process should be based on an established fee schedule and should not be based solely on staff judgment. Any exceptions to the fee schedule should be justified in writing and approved by the program manager after thorough review.	Fully Implemented	Department of Developmental Services

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To decrease the risk of determining appeal outcomes based on inaccurate information, Developmental Services should require management oversight and review of appeals. This review should include a review of appeal worksheets for accuracy prior to appeals committee meetings. To allow for a thorough management review, Developmental Services should require staff to note the reasoning for any adjustments to the calculation of parents' income and expenses.	Fully Implemented	Department of Developmental Services
7. Developmental Services should review its appeals process to ensure that it follows appeal-related timelines and follows a consistent process for accepting requests for appeals. As part of this effort, Developmental Services should add a date field to the appeals log for when parents are notified of the outcome of their appeal and should ensure that existing data fields contain accurate information.	Fully Implemented	Department of Developmental Services
8. Developmental Services should review and update its process for collecting on delinquent accounts. This update should include a revision to the policies and procedures manual, training for field agents, and regular management review to ensure consistent adherence to the policy. As part of the update, Developmental Services should clarify when to designate an account as uncollectible.	Not Fully Implemented	Department of Developmental Services
9. To improve its administration of the Parental Fee Program, Developmental Services should engage in a formal policy development process that results in an updated policies and procedures manual by July 2015. The manual should clarify management expectations, describe regular program manager oversight, and include summary-level performance indicators that must be shared with department officials on an ongoing basis.	Fully Implemented	Department of Developmental Services
10. To efficiently locate records pertinent to the Parental Fee Program, Developmental Services should update its retention policy and centralize all the files and records supporting the program.	Fully Implemented	Department of Developmental Services
11. To improve management oversight of the Parental Fee Program, Developmental Services should establish performance measures related to the timeliness of placement identification, information sharing with parents, a review of financial information and determination of fees, the billing of subsequent fees, and the completion of the appeals process when applicable.	Fully Implemented	Department of Developmental Services
12. To improve accuracy and identify areas for initial and ongoing staff training, Developmental Services should increase management oversight of the initial fee assessment and redetermination processes to include a review of assessment worksheets for accuracy, proper support, and timeliness.	Fully Implemented	Department of Developmental Services

**Report Number 2014-116**

*California Department of Consumer Affairs' BreEZe System: Inadequate Planning and Oversight Led to Implementation at Far Fewer Regulatory Entities at a Significantly Higher Cost (February 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
30. To ensure that the Board of Registered Nursing (BRN) has adequate data to effectively use its resources and manage its workload, it should formally track and monitor the timeliness of its processing of applications by type and the cause of any delays.	Not Fully Implemented	Board of Registered Nursing
31. To ensure that BRN has adequate data to effectively use its resources and manage its workload, it should formally track and monitor its pending workload of applications by type and original receipt date.	Fully Implemented	Board of Registered Nursing
32. To ensure that BRN has adequate data to effectively use its resources and manage its workload, it should conduct an analysis no later than June 30, 2015, of its application processing since implementing BreEZe in order to identify the workload capability of each of its units, such as the licensing support unit; to the extent it determines additional resources are necessary, BRN should submit a request for these resources that is appropriately justified.	Partially Implemented	Board of Registered Nursing
33. To ensure that BRN continues to process applications within regulatory time frames, it should continue its efforts to refine its business processes to increase efficiency and reduce the amount of time applications are pending its review.	Partially Implemented	Board of Registered Nursing

**Report Number 2014-125**

*California Department of State Hospitals: It Could Increase the Consistency of Its Evaluations of Sex Offenders by Improving Its Assessment Protocol and Training (March 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To promote efficiency, the Legislature should change state law to allow the California Department of State Hospitals (State Hospitals) the flexibility to stop an evaluation once the evaluator determines that the offender does not meet one of the SVP criteria.	No Action Taken	Legislature
2. To improve the consistency of its evaluations, by June 2015, State Hospitals should create a written policy that requires its evaluators to include the following documentation in their evaluations: detail describing all the documentation they reviewed, the offender's psychosexual history, a description of the risk assessment instruments the evaluator used and the scoring tool for those risk assessments, and acknowledgement of the evaluator's review of the Disability and Effective Communication System report.	Fully Implemented	Department of State Hospitals
3. To promote consistency and ensure that it provides sufficient guidance to evaluators, State Hospitals should update its assessment protocol by March 2016 to include more specific instructions on how to conduct evaluations, such as what assessment instruments evaluators may use and what documents they should consider. State Hospitals should also develop a timeline for periodically reviewing and making any necessary updates to the assessment protocol.	Not Fully Implemented	Department of State Hospitals
4. To comply with state law, State Hospitals should ensure that it follows the Administrative Procedures Act for future changes to its standardized assessment protocol.	Not Fully Implemented	Department of State Hospitals
5. To improve the consistency and completeness of its evaluations, by December 2015 State Hospitals should develop a plan for the formal, supervisory review of evaluations from a clinical perspective that balances the needs of the program with its resource limitations. For example, rather than attempting to review every evaluation, State Hospitals could focus its review efforts on those evaluations most at risk of error or inconsistency, such as those completed by the newest evaluators. If State Hospitals adopts this or a similar approach, it should review the remaining evaluations on a sample basis.	Fully Implemented	Department of State Hospitals
6. To ensure that it can demonstrate the consistency of Coalinga State Hospital's (Coalinga) supervisory review of annual evaluations, by June 2015 State Hospitals should direct Coalinga to formally adopt its checklist for reviewing evaluations, provide the checklist to its evaluators, and include the checklist as part of its evaluation process. State Hospitals should also develop a checklist for the evaluations it performs at its headquarters and adopt it as part of its standardized assessment protocol by March 2016.	Fully Implemented	Department of State Hospitals
7. To ensure that it has the data necessary to inform its training and supervision of evaluators, State Hospitals should identify the most efficient means for obtaining the outcomes of past trials—at least the outcomes of three years of past trials if possible—and should ensure that it includes such outcomes in its database by March 2016. Additionally, by June 2015 it should establish procedures to ensure that it promptly collects the outcomes from current and future trials. Finally, State Hospitals should develop procedures to analyze these data at least twice annually to identify any trends in cases in which the courts' determinations differed from the State Hospitals evaluators' recommendations. It should use this information to provide training and supervision where they are most needed.	Fully Implemented	Department of State Hospitals
8. To ensure that its evaluators, including those at Coalinga, have the necessary training to conduct evaluations effectively and consistently, State Hospitals should complete development of comprehensive training plans for all evaluators by June 2015. In addition, by September 2015 State Hospitals should provide training on the Static-99R and dynamic risk assessment instruments to all new evaluators and those who have not yet received such training.	Fully Implemented	Department of State Hospitals
9. To ensure that all its evaluators are aware of changes in forensic evaluations, State Hospitals should provide annual training on updates to risk assessment instruments.	Fully Implemented	Department of State Hospitals
10. To demonstrate that it has provided appropriate training and that its employees have received that training, State Hospitals should immediately begin maintaining training records for all employee and contract evaluators.	Fully Implemented	Department of State Hospitals

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. By June 2015 State Hospitals should establish a formal process for consistently documenting that it has verified that the individuals it hires as evaluators meet all the minimum qualifications for their positions. State Hospitals should ensure that staff at Coalinga follow the process established in Coalinga's checklist for validating the past employment of employee and contract evaluators.	Fully Implemented	Department of State Hospitals
12. To improve its overall effectiveness, by December 2015 State Hospitals should further analyze the rate at which its evaluators determine that offenders meet the sexually violent predator criteria. State Hospitals should focus its analysis on evaluations it performed in the most recent three fiscal years because of its transition to civil service evaluators and because of changes to state law have affected how it performs evaluations. State Hospitals should establish what the normal acceptable ranges for commitment rates are and work with evaluators whose findings consistently fall outside that range.	Fully Implemented	Department of State Hospitals
13. To ensure that it has an effective method for assigning and tracking evaluator workload, by September 2015 State Hospitals should establish a formal process for periodically reviewing its workload matrices. This process should include periodic assessments of how well evaluators are meeting their workload expectations and whether adjustments would be appropriate. The process should also include input from key stakeholders.	Fully Implemented	Department of State Hospitals
14. State Hospitals should explore options for tracking the time evaluators spend on each evaluation activity to increase the accuracy of the workload equivalencies it includes in its workload matrix and should implement such options by September 2015.	Not Fully Implemented	Department of State Hospitals
15. To reduce its backlog of annual evaluations at Coalinga and reduce the number of days these evaluations are overdue, State Hospitals should immediately determine the extent to which its evaluators who work at headquarters can provide assistance to Coalinga. To ensure that it does not develop a similar backlog in the future, State Hospitals should continue its efforts to hire evaluators sufficient to meet its workload.	Fully Implemented	Department of State Hospitals

**Report Number 2015-608**

*High Risk—State Departments Need to Improve Their Workforce and Succession Planning Efforts to Mitigate the Risks of Increasing Retirements (May 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. The California Department of Social Services (Social Services) should develop a process by December 2015 to measure and evaluate its workforce and succession planning activities at least annually, and update its plans as necessary, to ensure that its activities are effective. This process should include evaluating the trends in retirements for leadership and technical positions.	Fully Implemented	Department of Social Services
13. Social Services should identify a key resource, such as a unit, by June 30, 2015, to track the results of workforce and succession planning activities across the department to ensure that the workforce and succession planning activities it implements are monitored on a department wide level.	Fully Implemented	Department of Social Services
15. Social Services should update its existing workforce and succession plan by December 2015 to ensure that the department is adequately prepared for the retirement of a significant number of its highly experienced employees. The plan should include current best practices that meet its organizational needs.	Fully Implemented	Department of Social Services

**Report Number 2014-131**

*California State Government Websites: Departments Must Improve Website Accessibility So That Persons With Disabilities Have Comparable Access to State Services Online (June 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, Covered California should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Fully Implemented	Covered California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. No later than December 1, 2015, Covered California should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Fully Implemented	Covered California
15. To ensure that updates to its website are tested for accessibility, by July 31, 2015, Covered California should develop and follow a written test approach that describes how and when changes to its website will be reviewed. This plan should describe how the department will include both automated and manual forms of accessibility testing.	Fully Implemented	Covered California
20. To ensure that individuals have a wider variety of contact information available to them for reporting problems with website accessibility, by July 31, 2015, Covered California should update its accessibility page to include all methods of communication that state requirements mandate for other departments.	Fully Implemented	Covered California
21. To ensure that it appropriately addresses any complaints it receives related to web accessibility, Covered California should develop procedures to regularly review the complaints it receives at its accessibility email address and address any web accessibility complaints in a timely fashion.	Fully Implemented	Covered California

**Report Number 2014-134**

*California Department of Health Care Services: Improved Monitoring of Medi-Cal Managed Care Health Plans Is Necessary to Better Ensure Access to Care (June 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the California Department of Health Care Services (Health Care Services) accurately analyzes the adequacy of provider networks when initially certifying a health plan and when new beneficiary populations are added, it should establish by September 2015 a process to verify the accuracy of the provider network data that it uses to determine if a health plan meets adequacy standards for provider networks.	Fully Implemented	Department of Health Care Services
2. To make certain that it can provide support for its review process related to the adequacy of provider networks, Health Care Services should maintain for three years all documentation that supports its provider network certifications.	Fully Implemented	Department of Health Care Services
3. To ensure that the Department of Managed Health Care (Managed Health Care) reaches accurate conclusions during its quarterly assessments of the adequacy of provider networks, Health Care Services should establish by September 2015 a process to verify the accuracy of the provider network data it receives from health plans and forwards to Managed Health Care. For example, Health Care Services could verify, for a sample of physicians claimed as part of the health plans' provider networks, that health plans have current written agreements with the providers.	Pending	Department of Health Care Services
4. To improve the accuracy of provider directories, by December 2015 Health Care Services should revise its processes for monitoring health plans' provider directories. Specifically, Health Care Services should review how each health plan updates and verifies the accuracy of the directory. In addition, Health Care Services should identify best practices and require the plans to adopt those practices.	Pending	Department of Health Care Services
5. To ensure that its review of provider directories is effective in identifying inaccurate information before it approves them for publication, Health Care Services should establish by September 2015 more detailed written policies and procedures for staff to follow that will provide evidence that staff are verifying the accuracy of provider directories. This verification process should include, at a minimum, the following elements: <ul style="list-style-type: none"> <li>Developing a standard process for selecting a random sample, including procedures for selecting a sample size that is sufficient to identify errors in a provider directory and to enable Health Care Services to understand the accuracy of the entire directory. Health Care Services should then ensure that staff follow this process.</li> <li>Requiring staff to maintain for at least three years the documentation of their reviews and the verifications of the accuracy of provider directories.</li> <li>Retaining for three years Health Care Services' communications with the health plans about any errors found in the directories or about the approvals of the directories.</li> </ul>	Fully Implemented	Department of Health Care Services

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. If Health Care Services finds significant errors in a health plan's provider directory, it should work with that health plan to identify reasons for the inaccuracies and require the health plan to develop processes to eliminate the inaccuracies.	Pending	Department of Health Care Services
7. To ensure that it can handle adequately the volume of calls from Medi-Cal beneficiaries, Health Care Services should implement an effective plan to upgrade or replace its telephone system and database to make certain that its ombudsman office can handle the volume of calls and maintain complete data to make informed management decisions.	Partially Implemented	Department of Health Care Services
8. To further ensure that it can handle adequately the volume of calls from Medi-Cal beneficiaries, after upgrading or replacing its systems, if Health Care Services believes that it does not have adequate staffing to address workload, it should justify its need and request additional staff.	Pending	Department of Health Care Services
9. To make certain that Health Care Services complies with state law requiring it to conduct annual medical audits, it should finish developing and begin adhering to its schedule for auditing all health plans in fiscal year 2015–16.	Pending	Department of Health Care Services
10. To ensure that Health Care Services complies with state law, it should increase its oversight of Managed Health Care to ensure that it completes the quarterly assessments required under the agreements.	Will Not Implement	Department of Health Care Services
11. To make certain that Managed Health Care complies with its contractual obligations, it should continue its plan to perform quarterly reviews of the adequacy of provider networks beginning with the first quarter of 2015.	Fully Implemented	Department of Managed Health Care
12. To make certain that Managed Health Care complies with its contractual obligations, it should monitor workload closely, and it should justify and request additional staff if it determines it does not have adequate staffing to perform quarterly reviews.	Fully Implemented	Department of Managed Health Care
13. To increase the efficiency of statutorily required reviews by eliminating duplicative work, Managed Health Care should complete by September 2015 its planned assessment of the extent to which it can rely on Health Care Services' annual audits.	Fully Implemented	Department of Managed Health Care
14. To increase the efficiency of statutorily required reviews by eliminating duplicative work, if Managed Health Care determines that Health Care Services' work is sufficient to meet Managed Health Care's responsibility under the Knox-Keene Act, it should coordinate with Health Care Services to eliminate the duplication of work.	Resolved	Department of Managed Health Care

**Report Number 2015-503**

*Follow-Up—California Department of Social Services: It Has Not Corrected Previously Recognized Deficiencies in Its Oversight of Counties' Antifraud Efforts for the CalWORKs and CalFresh Programs (June 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that staff monitor both counties' processing of match lists and counties' reporting of investigation activity in a consistent and effective manner, Social Services should develop and document formal procedures for the Income and Eligibility Verification System and special investigation unit review processes.	Fully Implemented	Department of Social Services
2. Because Social Services will not implement our recommendation to gauge the cost-effectiveness of Statewide Fingerprint Imaging System (SFIS) the Legislature should require Social Services to annually report on the cost of SFIS and the fraud that it helps detect. Specifically, the Legislature should require Social Services to annually report to the Legislature the following metrics: <ul style="list-style-type: none"> <li>• The annual cost to maintain and operate SFIS</li> <li>• The total instances of duplicate-aid fraud that counties detect as a result of SFIS and the total amount of overpayments that they recover</li> <li>• The total backlog of unprocessed SFIS matches as of December 31 of each year</li> </ul>	No Action Taken	Legislature
3. The Legislature should require Social Services to determine the cost-effectiveness of any proposed alternative to SFIS in advance of Social Services adopting any such alternative method or tool to detect and prevent duplicate-aid fraud.	No Action Taken	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To ensure that all counties consistently gauge the cost-effectiveness of their early fraud detection activities and ongoing investigation efforts for the CalWORKs and CalFresh programs, Social Services should develop a formula to regularly perform a cost-effectiveness analysis using information that the counties currently submit. Specifically, this formula should measure the savings that a county achieves for each dollar spent on antifraud efforts.	Not Fully Implemented	Department of Social Services
5. To make certain that counties receive the greatest benefit from the resources they spend on antifraud efforts related to CalWORKs and CalFresh cases, Social Services should, using the results from the recommended cost-effectiveness analysis, determine why some counties' efforts to combat welfare fraud are more cost-effective than others.	Not Fully Implemented	Department of Social Services
6. To make certain that counties receive the greatest benefit from the resources they spend on antifraud efforts related to CalWORKs and CalFresh cases, Social Services should seek to replicate the most cost-effective practices among all counties. Social Services should work with its legal counsel to determine whether to withhold information about these practices from public disclosure.	Not Fully Implemented	Department of Social Services
7. Social Services should track counties' prosecution thresholds for welfare fraud cases and determine whether they affect counties' decisions to investigate potential fraud, with a focus on determining best practices and cost-effective thresholds. If Social Services' analysis determines that varying prosecution thresholds do affect counties' decisions, it should then work with counties to implement the consistent use of these cost-effective prosecution thresholds.	Not Fully Implemented	Department of Social Services
8. Social Services should continue its efforts to ensure that counties follow state regulations regarding the use of the administrative disqualification hearings process until all counties have adopted the process.	Not Fully Implemented	Department of Social Services
9. To make certain that counties receive the greatest benefit from the resources they spend on antifraud efforts related to CalWORKs and CalFresh cases, Social Services should address and promptly act on the four remaining recommendations that its steering committee provided in 2008.	Not Fully Implemented	Department of Social Services
10. To ensure that counties are consistently following up on all match lists, Social Services should better enforce the counties' implementation of its recommendations from the IEVS reviews and verify implementation of the corrective action plans that counties submit.	Fully Implemented	Department of Social Services
11. To ensure that counties are consistently following up on all match lists, Social Services should remind counties of their responsibility under state regulations to follow up diligently on all match lists. Further, it should work with counties to determine why poor follow-up exists and address those reasons.	Not Fully Implemented	Department of Social Services
12. To make counties' review of match lists more efficient, Social Services should revive its efforts to work with the state and federal agencies that prepare the match lists to address the counties' concerns about match list formats, content, and criteria.	Not Fully Implemented	Department of Social Services
13. To ensure the accuracy of the overpayments that counties collect and report for the CalFresh program, Social Services should create a process to verify on a rotational basis the counties' overpayment collection reports.	Not Fully Implemented	Department of Social Services
14. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should perform more diligent reviews of the counties' investigation activity reports to verify the accuracy of the information submitted.	Fully Implemented	Department of Social Services
15. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should provide counties with feedback on how to correct and prevent errors that it detects while reviewing counties' investigation activity reports.	Fully Implemented	Department of Social Services
16. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should incorporate the upcoming federal changes to the revision of its instructions for completing the counties' investigation activity reports. In the interim, Social Services should issue clarifications for the most common errors Social Services observes counties make in reporting their investigation activities.	Not Fully Implemented	Department of Social Services

**Report Number 2015-501**

*California Department of Developmental Services: It Can Do More to Ensure That Regional Centers Comply With the Legislature's Cost-Containment Measures Under the Lanterman Act (July 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. If the Legislature wishes to better guard against future cost increases under the Lanterman Act, it should amend existing law to require that planning teams document, and that regional centers retain documentation of, vendor cost considerations when they offer comparable services that meet the consumer's needs. Specifically, for consumer needs that the planning team decides will be addressed by a vendor, the Legislature should require the planning team to document the following:</p> <ul style="list-style-type: none"> <li>• Whether multiple vendors offer comparable services needed by the particular consumer.</li> <li>• Whether any particular vendor was deemed unacceptable by the planning team and why.</li> <li>• Whether the least costly vendor offering comparable services was ultimately selected, and if not, why.</li> </ul>	No Action Taken	Legislature
<p>2. To further ensure that the planning team consistently chooses the least costly vendor when required under state law, the Legislature should direct Developmental Services to audit compliance with the documentation requirements suggested in the previous recommendation.</p>	No Action Taken	Legislature
<p>3. To ensure that regional centers and their planning teams are using consistent criteria when determining whether multiple vendors offer comparable services, the Legislature should define the phrase "comparable service" for the purpose of the 2009 amendment to the Lanterman Act. One way the Legislature could do this would be to define "comparable service" as a service of the type required in the consumer's treatment plan and that the planning team has reviewed and found as meeting the needs of the consumer.</p>	No Action Taken	Legislature

**Report Number 2015-502**

*Follow-Up—California Department of Social Services: Although Making Progress, It Could Do More to Ensure the Protection and Appropriate Placement of Foster Children (July 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that all address matches of registered sex offenders who potentially reside or work at a licensed facility or foster home are reviewed, Social Services should improve its current mechanism to track and monitor the outcome of each address match it identifies. This tracking mechanism should allow Social Services to actively reconcile the number of address matches identified through its address comparison process with the number of completed reviews to ensure that it appropriately reviewed each match. Further, this mechanism should allow Social Services to actively monitor and report on any overdue investigations.</p>	Partially Implemented	Department of Social Services
<p>2. To improve its review process, preserve institutional knowledge, and ensure that staff consistently implement registered sex offender reviews in the future, Social Services should better document its review procedures. For example, Social Services should better document its screening process by identifying criteria for determining when it is acceptable to exclude certain address matches from investigation and by providing an explanation to staff for why it is safe to remove address matches that meet those particular criteria.</p>	Fully Implemented	Department of Social Services
<p>3. To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendation we previously made in our 2011 audit. Specifically, Social Services should continue working to revise its rates paid to foster family agencies and to ensure that it has reasonable support to justify each rate component, especially the administrative fee it currently pays these agencies.</p>	Not Fully Implemented	Department of Social Services
<p>4. To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendation we previously made in our 2011 audit. Specifically, Social Services should require counties to give licensed foster homes a higher priority than foster family agencies for children that do not have identified treatment needs.</p>	Not Fully Implemented	Department of Social Services
<p>5. To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendation we previously made in our 2011 audit. Specifically, Social Services should require counties to prepare a detailed justification for any child placed with a foster family agency.</p>	Will Not Implement	Department of Social Services



**Report Number 2014-130**

*California Department of Health Care Services: It Should Improve Its Administration and Oversight of School-Based Medi-Cal Programs (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that it provides claiming units with reasonable opportunities to address concerns with its decisions or actions, Health Care Services should, within three months, begin preparing regulations to establish and implement a formal appeals process that allows claiming units to directly appeal Health Care Services' decisions.</p>	Will Not Implement	Department of Health Care Services
<p>2. To ensure that it provides claiming units with reasonable opportunities to address concerns with its decisions or actions, Health Care Services should, within three months, inform all stakeholders, including claiming units, of the existence of this appeals process.</p>	Will Not Implement	Department of Health Care Services
<p>3. Until the Legislature implements our recommendation in Chapter 2, Health Care Services should immediately resolve weaknesses in its oversight of local educational consortia and local governmental agencies to ensure that these entities sufficiently meet their responsibilities under the administrative activities program and meet the terms of their contracts with Health Care Services. Health Care Services should update its site review and desk review procedures to include the following steps:</p> <ul style="list-style-type: none"> <li>• A risk-based approach to selecting entities for review.</li> <li>• Verification that local educational consortia and local governmental agencies are adequately meeting the oversight and administrative responsibilities described in their contracts with Health Care Services.</li> <li>• Verification that contracts between local educational consortia or local governmental agencies and their claiming units do not include provisions that could result in disallowed costs, such as allowing Health Care Services' participation fee to be included in the claim calculations.</li> <li>• Examination of local educational consortia and local governmental agencies' records to ensure that: <ul style="list-style-type: none"> <li>– Costs they claim for federal reimbursement are necessary and reasonable.</li> <li>– The entities are not inappropriately earning a profit based on the fees they collect from claiming units.</li> <li>– The coding performed by local educational consortia that charge claiming units a percentage of their federal reimbursement is reasonably accurate.</li> </ul> </li> </ul>	Partially Implemented	Department of Health Care Services
<p>4. Until the Legislature implements our recommendation in Chapter 2, Health Care Services should immediately resolve weaknesses in its oversight of local educational consortia and local governmental agencies to ensure that these entities sufficiently meet their responsibilities under the administrative activities program and meet the terms of their contracts with Health Care Services. Health Care Services should complete the oversight reviews for at least three high-risk local educational consortia or local governmental agencies by December 31, 2015, and post the results to its website.</p>	Partially Implemented	Department of Health Care Services
<p>5. Until the Legislature implements our recommendation in Chapter 2, Health Care Services should immediately resolve weaknesses in its oversight of local educational consortia and local governmental agencies to ensure that these entities sufficiently meet their responsibilities under the administrative activities program and meet the terms of their contracts with Health Care Services. Health Care Services should complete the oversight reviews for any remaining high-risk local educational consortia or local governmental agencies by June 30, 2016, and post the results to its website.</p>	Pending	Department of Health Care Services
<p>6. To minimize the risk that claiming units could include unallowable costs when calculating their reimbursement claims, Health Care Services should encourage the Los Angeles County Office of Education (Los Angeles County) to revise its contracts with its claiming units to make it clear that claiming units cannot include Health Care Services' participation fee as part of their claims.</p>	Fully Implemented	Department of Health Care Services

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>7. To minimize the risk that claiming units could include unallowable costs when calculating their reimbursement claims, Health Care Services should do the following immediately for all claims that Los Angeles County received and reviewed under its current contracts with its claiming units:</p> <ul style="list-style-type: none"> <li>• Determine whether claiming units included Health Care Services' participation fee as part of the claim.</li> <li>• For those paid claims that included the participation fee, identify the inappropriate amount paid and take appropriate action to resolve the improper payment including, if necessary, obtaining a refund from the claiming unit.</li> <li>• For those submitted claims that have not yet been paid, instruct Los Angeles County to reject the claims and direct claiming units to revise the claims to omit Health Care Services' participation fee.</li> </ul>	Fully Implemented	Department of Health Care Services
<p>8. To minimize the risk that claiming units could include unallowable costs when calculating their reimbursement claims, Health Care Services should remind all local educational consortia and local governmental agencies that contracts with their claiming units should prohibit claiming units from seeking federal reimbursement of Health Care Services' participation fee.</p>	Partially Implemented	Department of Health Care Services
<p>9. To streamline the organizational structure of Health Care Services' administrative activities program and to improve the program's cost-effectiveness, the Legislature should amend state law to allow claiming units to submit reimbursement claims directly to Health Care Services.</p>	No Action Taken	Legislature
<p>10. To streamline the organizational structure of its administrative activities program and to improve the program's cost-effectiveness, Health Care Services should implement a single statewide quarterly random moment time survey and develop and implement a plan to take over responsibility for conducting quarterly time surveys and performing related activities as soon as reasonably possible.</p>	Will Not Implement	Department of Health Care Services
<p>11. To streamline the organizational structure of its administrative activities program and to improve the program's cost-effectiveness, Health Care Services should implement a single statewide quarterly random moment time survey and develop and issue a request for proposals to identify a responsible vendor to assist in implementing a statewide quarterly random moment time survey.</p>	Will Not Implement	Department of Health Care Services
<p>12. To streamline the organizational structure of its administrative activities program and to improve the program's cost-effectiveness, Health Care Services should implement a single statewide quarterly random moment time survey and draft revisions to regulations as appropriate and to applicable documents, including the manual, oversight strategies and plans, and policy and procedure letters.</p>	Pending	Department of Health Care Services
<p>13. To the extent that local educational consortia and local governmental agencies are no longer involved in the administrative activities program, Health Care Services should develop and issue a standard contract for claiming units to sign to participate in the program.</p>	Will Not Implement	Department of Health Care Services
<p>14. To improve the clarity and effectiveness of program communication, Health Care Services should develop and implement feedback mechanisms, such as organized, up-to-date FAQs, through which it can communicate results of relevant inquiries to other stakeholders, including claiming units.</p>	Fully Implemented	Department of Health Care Services
<p>15. To better ensure that some claiming units do not unfairly disadvantage other claiming units in the receipt of interim payments, Health Care Services should explore opportunities to expedite consistent, timely, and fair interim payments to those claiming units with no overpayments. Health Care Services should involve representatives of local educational consortia, local governmental agencies, and claiming units in these efforts and communicate the results to interested stakeholders.</p>	Fully Implemented	Department of Health Care Services
<p>16. To help improve and maximize the benefits of the administrative activities program, as well as to provide enhanced transparency to stakeholders, the Legislature should enact legislation as soon as possible that requires Health Care Services to prepare a report annually for the administrative activities program similar to the annual report state law requires for the billing option program.</p>	No Action Taken	Legislature
<p>17. To better maximize federal reimbursements for the administrative activities program, Health Care Services should, within six months, develop and implement a method to oversee and track the outreach efforts that local educational consortia and local governmental agencies use for ensuring that nonparticipating claiming units understand the benefits and consider participating in the administrative activities program.</p>	Partially Implemented	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18. To better maximize federal reimbursements for the administrative activities program, Health Care Services should, within six months, revise reimbursement rates to authorize claiming units to claim the 75 percent reimbursement rate for translation activities as federal law allows.	Partially Implemented	Department of Health Care Services
19. To better maximize federal reimbursements for the administrative activities program, Health Care Services should, within six months, determine the extent to which claiming units can claim the unreimbursed difference between the 50 percent and 75 percent reimbursement rates for translation activities for past years and inform claiming units of the findings.	Pending	Department of Health Care Services
20. Should the Legislature implement our recommendation in Chapter 2 to allow claiming units to submit reimbursement claims directly to it, Health Care Services should develop and implement its own outreach functions to ensure that claiming units that do not currently participate understand the benefits and consider participating in the administrative activities program.	Pending	Department of Health Care Services
21. To provide the public with the ability to participate fully in developing the rules governing the administrative activities program, Health Care Services should, in accordance with California's Administrative Procedure Act (APA), immediately develop and adopt the regulations cited in the four subdivisions of Section 14132.47 of the California Welfare and Institutions Code.	Pending	Department of Health Care Services
22. To ensure that it provides stakeholders with timely access to information regarding the billing option program, Health Care Services should issue the required annual report covering April 2012 to May 2013 immediately.	Fully Implemented	Department of Health Care Services
23. To ensure that it provides stakeholders with timely access to information regarding the billing option program, Health Care Services should issue the required annual report covering April 2013 to May 2015 by December 2015 as promised.	Pending	Department of Health Care Services
24. To ensure that it provides stakeholders with timely access to information regarding the billing option program, Health Care Services should issue all future annual reports in a timely manner.	Pending	Department of Health Care Services

### Report Number I2015-1

#### *Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To recoup the payment and leave accumulations to which its employees were not entitled, the California Department of Corrections and Rehabilitation (Corrections) and California Correctional Health Care Services (Correctional Health Care) should reduce the accumulated leave balances of Employee A by 886 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Resolved	California Correctional Health Care Services
12. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should work with the California Public Employees' Retirement System and attempt to recoup the \$22,766 in CTO leave hours Employee B—who retired in April 2015—cashed out but to which he was not entitled.	Resolved	California Correctional Health Care Services
14. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should reduce the accumulated leave balances of Employee C by 261 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Resolved	California Correctional Health Care Services
16. Corrections and Correctional Health Care should develop a policy requiring all labor relations analysts, including the labor relations analyst at Prison 1, to document any communications from the Office of Labor Relations at Corrections that affect employee compensation.	Resolved	California Correctional Health Care Services
18. Corrections and Correctional Health Care should run a query of exempt positions related to the chief psychologist classification, such as clinical psychologists and senior psychologists, to determine whether any other exempt employees were improperly credited or paid for on-call or call-back assignments prior to December 2014, and seek recovery through reducing those employees' accumulated leave balances.	Partially Implemented	California Correctional Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
28. Correctional Health Care should develop a process to ensure that it uses master agreements to procure only goods and services that are within the scope of those agreements.	Fully Implemented	California Correctional Health Care Services
29. Correctional Health Care should ensure that it or its contractor submits to the Department of Technology (Technology Department) all projects that require the Technology Department's review.	Fully Implemented	California Correctional Health Care Services
30. Correctional Health Care should ensure that it has received all of the goods and services for which it already paid the contractor, or for which it has been invoiced to pay by the contractor.	Fully Implemented	California Correctional Health Care Services
31. Correctional Health Care should provide appropriate counseling and training to the staff and officials involved in project procurements so they are aware of the proper procedures for contracting and for reviewing and approving invoices, including ensuring that all goods and services have been received prior to paying contractors.	Fully Implemented	California Correctional Health Care Services
32. Correctional Health Care should consider whether any disciplinary action is warranted.	Resolved	California Correctional Health Care Services

**Report Number 2015-042**

*Children's Hospital Program: The California Health Facilities Financing Authority Has Generally Complied With Laws and Regulations and Resolved Its Issue Related to High Fund Balances (September 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The California Health Facilities Financing Authority should amend its regulations to bring them into accord with the 2004 act, thus allowing any eligible hospital to apply for the 2004 act's funds that remained as of June 30, 2014.	Will Not Implement	California Health Facilities Financing Authority

**Report Number 2015-507**

*Follow-Up—California Department of Public Health: Laboratory Field Services Is Unable to Oversee Clinical Laboratories Effectively, but a Feasible Alternative Exists (September 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. While the Legislature considers eliminating the requirement that labs obtain state-issued licenses or registrations and receive oversight from Public Health's Laboratory Field Services (Laboratory Services), Laboratory Services should begin taking action to address its deficiencies by developing a corrective action plan by December 31, 2015. The corrective action plan should address its plans for implementing the recommendations from our 2008 audit and from this follow-up audit. For each item in its corrective action plan, Laboratory Services should identify the individuals responsible for ensuring it takes the corrective action, the resources it needs to carry out the corrective action, and the time frame in which it expects to successfully complete the corrective action.	Fully Implemented	Department of Public Health
2. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should inspect all in-state and out-of-state labs it has licensed every two years.	Pending	Department of Public Health
3. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should develop and implement proficiency testing policy and procedures for ensuring that it can promptly identify out-of-state labs that fail proficiency testing.	Fully Implemented	Department of Public Health
4. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should improve its complaints policy and procedures to ensure that it either investigates allegations promptly or clearly documents its management's rationale for not investigating. It should also establish clear expectations for when staff must visit a lab to verify successful corrective action.	Fully Implemented	Department of Public Health

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should dedicate multiple staff to sanctioning efforts and update its sanctioning policy and procedures, including identifying steps to ensure that labs adhere to sanctions and that it collect civil money penalties. In addition, it should develop a single sanctions tracking system that multiple managers can monitor and that will allow it to periodically reconcile the monetary penalties it receives with Public Health's accounting records.	Fully Implemented	Department of Public Health
6. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should work with Public Health's budget section and other appropriate parties in developing a process to assess the budget act annually and to adjust its fees accordingly. The process should include its management's review and approval of fee adjustments before it posts those fees publicly.	Pending	Department of Public Health
7. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should maximize the opportunity to partner with accreditation organizations by developing an accreditation organization program and issuing an All Clinical Laboratories Letter detailing the program's components. In addition, it should consult with legal counsel and draft an agreement outlining the role and the responsibilities that Laboratory Services and the accreditation organizations will assume.	Fully Implemented	Department of Public Health
8. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should address staffing issues by preparing and resubmitting to Public Health a recruitment and retention proposal, developing a succession plan, and taking necessary steps to implement its planned reorganization.	Partially Implemented	Department of Public Health
9. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should ensure that its information technology data systems have necessary safeguards, contain accurate and complete data, and support its program needs.	Pending	Department of Public Health
10. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should update and develop its regulations as necessary to ensure consistency with existing state law.	Pending	Department of Public Health
11. To eliminate the State's redundant and ineffective oversight of labs and to ensure labs do not pay unnecessary or duplicative fees, the Legislature should repeal existing state law requiring that labs be licensed or registered by Laboratory Services and that Laboratory Services perform oversight of these labs. Instead, the State should rely on the oversight the Centers for Medicare and Medicaid Services provides.	No Action Taken	Legislature
12. To eliminate the State's redundant and ineffective oversight of labs and to ensure labs do not pay unnecessary or duplicative fees, the Legislature should repeal existing state law requiring labs to pay fees for state-issued licenses or registrations.	No Action Taken	Legislature
13. If the Legislature decides to continue requiring that clinical labs be licensed or registered through the State, it should amend state law establishing how Laboratory Services annually adjusts its fee amounts to ensure the revenue it collects does not exceed the cost of its oversight. Such an amendment might authorize Public Health to temporarily suspend or reduce fees when the Clinical Laboratory Improvement Fund's ending balance exceeds a prudent reserve amount that the Legislature establishes.	No Action Taken	Legislature
14. Regardless of whether it decides to repeal existing law, the Legislature should direct Laboratory Services to advise it on how best to address the millions of dollars in the Clinical Laboratory Improvement Fund in excess of a prudent reserve.	No Action Taken	Legislature

**Report Number 2015-115**

*Dually Involved Youth: The State Cannot Determine the Effectiveness of Efforts to Serve Youth Who Are Involved in Both the Child Welfare and Juvenile Justice Systems (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that county child welfare service (CWS) and probation agencies are able to identify their populations of dually involved youth, the Legislature should require Social Services to implement a function within the statewide case management system that will enable county CWS and probation agencies to identify dually involved youth.	Legislation Enacted	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that county CWS and probation agencies are able to identify their populations of dually involved youth, the Legislature should require Social Services to issue guidance to the counties on how to use the statewide case management system to track joint assessment hearing information completely and consistently for these youth.	Legislation Enacted	Legislature
3. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council of California (Judicial Council) to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to develop a common identifier counties can use to reconcile data across CWS and probation data systems statewide.	Legislation Enacted	Legislature
4. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to develop standardized definitions for terms related to the populations of youth involved in both the CWS and probation systems, such as dually involved, crossover, and dual status youth.	Legislation Enacted	Legislature
5. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to identify and define outcomes for counties to track for dually involved youth, such as outcomes related to recidivism and education.	Legislation Enacted	Legislature
6. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to establish baselines and goals for those outcomes.	Legislation Enacted	Legislature
7. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to share the common identifier, definitions, and outcomes with the Legislature, for their consideration to require counties to utilize and track these elements.	Legislation Enacted	Legislature
8. If the State enacts data-related requirements, it should require the Judicial Council's committee to compile and publish county data two years after the start of county data collection requirements.	Legislation Enacted	Legislature
9. Alameda County probation department should update its existing procedures to ensure that its staff are accurately recording family reunification service components within the statewide case management system.	Will Not Implement	Alameda County
10. Sacramento County probation department should update its existing procedures to ensure that its staff are accurately recording family reunification service components within the statewide case management system.	Pending	Sacramento County
11. To identify their population of dually involved youth, Alameda County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Will Not Implement	Alameda County
12. To identify their population of dually involved youth, Kern County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Fully Implemented	Kern County
13. To identify their population of dually involved youth, Los Angeles County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Fully Implemented	Los Angeles County
14. To identify their population of dually involved youth, Riverside County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Pending	County of Riverside
15. To identify their population of dually involved youth, Sacramento County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Pending	Sacramento County
16. To identify their population of dually involved youth, Santa Clara County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	No Action Taken	Santa Clara County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17. To identify their population of dually involved youth, Alameda County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Will Not Implement	Alameda County
18. To identify their population of dually involved youth, Kern County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Fully Implemented	Kern County
19. To identify their population of dually involved youth, Los Angeles County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Pending	Los Angeles County
20. To identify their population of dually involved youth, Riverside County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Fully Implemented	County of Riverside
21. To identify their population of dually involved youth, Sacramento County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Pending	Sacramento County
22. To identify their population of dually involved youth, Santa Clara County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	No Action Taken	Santa Clara County

**Report Number 2015-605**

*High Risk—Covered California: It Must Ensure Its Financial Sustainability Moving Forward, and Its Use of Sole-Source Contracts Needs Improvement (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Covered California should continue to monitor its plan for financial sustainability and revise the plan accordingly as factors change. Further, it should complete a formal analysis of the adequacy of its reserve level by December 31, 2016, and update this analysis as needed, so that it is prepared if it does not meet its revenue projections and needs to increase its funding or decrease its expenditures to maintain financial solvency. This formal analysis should identify those contracts it could quickly eliminate, among other actions it would take, in the event of a shortfall in revenues.	Partially Implemented	Covered California
2. Covered California should continue to regularly review its enrollment projections and update the projections as needed to help ensure its financial sustainability.	Fully Implemented	Covered California
3. To comply with state law, Covered California should ensure that its staff comply with the changes to its recently-adopted procurement manual that incorporate contracting policies and procedures that are substantially similar to the provisions contained in the State Contracting Manual.	Fully Implemented	Covered California
4. Before executing any sole-source contracts, Covered California should adequately document the necessity for using a noncompetitive process in its written justifications and, in doing so, demonstrate valid reasons for not competitively bidding the services.	Fully Implemented	Covered California
5. Covered California should improve its project management of contracts to ensure that it allows adequate time so it can use the competitive bidding process as appropriate.	Fully Implemented	Covered California
6. Covered California needs to develop a process by June 2016 to ensure that it accurately enters information regarding its contracts into its contract database.	Fully Implemented	Covered California
7. To ensure that CalHEERS does not face delays and cost overruns in the implementation of planned releases, Covered California should immediately contract with an independent party for IV&V services to highlight and address potential risks going forward.	Fully Implemented	Covered California

## Report Number I2016-1

*Investigations of Improper Activities by State Agencies and Employees: Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure the supervisor does not misuse state time, Public Health should take appropriate corrective or disciplinary action against him for leaving during the middle of his shift without approval.	Fully Implemented	Department of Public Health
5. To ensure the analyst does not continue to misuse state resources, Health Care Services should take appropriate corrective or disciplinary action for her misuse of her state computer and email for personal purposes.	Fully Implemented	Department of Health Care Services
12. Correctional Health Care should work, as necessary, with the state agency that currently employs the supervising nurse to require him either to correct his 2014 time sheets by using earned leave for the 14 workdays when he improperly claimed military leave or to pay the State \$5,988 for the leave he improperly claimed on the 14 workdays.	Fully Implemented	California Correctional Health Care Services
13. Correctional Health Care should work with the state agency that currently employs the supervising nurse to coordinate the appropriate disciplinary action to address the supervising nurse's improper activities, including his forging of documents and his dishonesty.	Resolved	California Correctional Health Care Services
14. Correctional Health Care should notify the proper military officials regarding the supervising nurse's creation of falsified and forged military documents.	Fully Implemented	California Correctional Health Care Services
17. State Hospitals should create a policy requiring the facility's filing official to be appropriately trained in the collection of Form 700s. In particular, this training should cover the identification of designated individuals and the requirement to collect a Form 700 upon individuals assuming designated positions, annually thereafter, and upon their leaving their designated positions.	Fully Implemented	Department of State Hospitals
18. State Hospitals should conduct a review of the facility's 2014 Form 700s by April 2016 to ensure that all designated filers submitted a Form 700.	Fully Implemented	Department of State Hospitals
19. State Hospitals should require all designated filers—including those working in an acting capacity in a designated position—to take the statutorily mandated state ethics training online created by the Attorney General's Office, which includes information related to the Form 700 and its disclosure and filing requirements.	Fully Implemented	Department of State Hospitals
20. State Hospitals should ensure that the psychiatrist discloses past financial interests to the FPPC for the time he acted as the medical director that he did not disclose previously.	Fully Implemented	Department of State Hospitals
21. Developmental Services should immediately conduct an audit of the leave accounting system from July 2015 through December 2015 to identify instances in which Porterville charged exempt represented employees working alternative schedules the incorrect number of leave hours for missed days of work.	No Action Taken	Department of Developmental Services
22. Developmental Services should adjust current employees' leave balances in the leave accounting system to correct any leave not properly charged as identified by this report and by the audit it conducts.	No Action Taken	Department of Developmental Services
23. By March 1, 2016, Developmental Services should take steps to work with unit 19 to change Developmental Services' current practice and require exempt represented employees to charge leave in accordance with the number of hours they are regularly scheduled to work.	No Action Taken	Department of Developmental Services
24. Revise its established timekeeping audit procedures to ensure that exempt represented employees correctly charge leave according to the number of hours they are regularly scheduled to work.	No Action Taken	Department of Developmental Services
25. Developmental Services should train its personnel staff at headquarters and all developmental centers regarding the new policy and accompanying procedures.	No Action Taken	Department of Developmental Services
26. State Hospitals should take appropriate action to address the insufficient hours worked by the four psychiatrists and their dishonesty by April 1, 2016.	Partially Implemented	Department of State Hospitals
27. State Hospitals should determine whether other psychiatrists or other staff consistently work less than an average of 40 hours and take appropriate disciplinary and corrective action where needed.	Pending	Department of State Hospitals
28. State Hospitals should ensure that by March 1, 2016, all exempt employees understand the requirement to work an average of 40 hours per week over the course of a year and to seek prior approval for arriving late, leaving early, or taking an extended break.	Fully Implemented	Department of State Hospitals



RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
29. State Hospitals should create and implement a system that will allow supervisors to adequately assess the hours worked by psychiatrists and other exempt employees.	Pending	Department of State Hospitals
30. State Hospitals should provide training and coaching to supervisors and management regarding how to hold psychiatrists and other exempt employees accountable for their hours worked and how to pursue disciplinary action if necessary.	Partially Implemented	Department of State Hospitals
31. State Hospitals should provide formal guidance about state laws and departmental policies relevant to misuse of state resources and incompatible activities to staff at Patton and at other State Hospitals facilities by March 1, 2016.	Fully Implemented	Department of State Hospitals
32. State Hospitals should seek to persuade the State to enter into collective bargaining agreements that provide for time monitoring to ensure that the State obtains full value from its employees exempt from FLSA requirements.	Partially Implemented	Department of State Hospitals

**Report Number 2015-131**

*California's Foster Care System: The State and Counties Have Failed to Adequately Oversee the Prescription of Psychotropic Medications to Children in Foster Care (August 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement procedures to more closely monitor requests for authorizations for foster children's psychotropic medications that exceed the state guidelines for multiple prescriptions, specific age groups, or dosage amounts. When prescribers request authorizations for prescriptions that exceed the state guidelines, counties should ensure the new court authorization forms contain all required information and, when necessary, follow up with prescribers about the medical necessity of the prescriptions. Counties should also document their follow-up monitoring in the foster children's case files. In instances in which counties do not believe that prescribers have adequate justification for exceeding the state guidelines, the counties should relay their concerns and related recommendations to the courts or parents.	Pending	Los Angeles County
2. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should ensure that all foster children are scheduled to receive a follow-up appointment within 30 days of starting a new psychotropic medication.	Pending	Los Angeles County
3. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement processes to ensure that foster children receive any needed mental health, psychosocial, behavioral health, or substance abuse services before and concurrently with receiving psychotropic medications.	Pending	Los Angeles County
4. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement a systemic process for ensuring that court authorizations or parental consents are obtained and documented before foster children receive psychotropic medications and that court authorizations for psychotropic medications are renewed within 180 days as state law requires. The process should also ensure that the counties better document the court authorizations and parental consents in the foster children's case files.	Pending	Los Angeles County
5. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should develop and implement a process for county staff and caregivers to work together to ensure the psychotropic medications are authorized before being provided to foster children. This process should also ensure that the counties obtain accurate medication start dates from caregivers.	Pending	Los Angeles County
6. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement procedures to more closely monitor requests for authorizations for foster children's psychotropic medications that exceed the state guidelines for multiple prescriptions, specific age groups, or dosage amounts. When prescribers request authorizations for prescriptions that exceed the state guidelines, counties should ensure the new court authorization forms contain all required information and, when necessary, follow up with prescribers about the medical necessity of the prescriptions. Counties should also document their follow-up monitoring in the foster children's case files. In instances in which counties do not believe that prescribers have adequate justification for exceeding the state guidelines, the counties should relay their concerns and related recommendations to the courts or parents.	Pending	Madera County

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should take the following actions: Ensure that all foster children are scheduled to receive a follow-up appointment within 30 days of starting a new psychotropic medication.	†	Madera County
8. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should take the following actions: Implement processes to ensure that foster children receive any needed mental health, psychosocial, behavioral health, or substance abuse services before and concurrently with receiving psychotropic medications.	†	Madera County
9. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should take the following actions: Implement a systemic process for ensuring that court authorizations or parental consents are obtained and documented before foster children receive psychotropic medications and that court authorizations for psychotropic medications are renewed within 180 days as state law requires. The process should also ensure that the counties better document the court authorizations and parental consents in the foster children's case files.	†	Madera County
10. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should take the following actions: Develop and implement a process for county staff and caregivers to work together to ensure the psychotropic medications are authorized before being provided to foster children. This process should also ensure that the counties obtain accurate medication start dates from caregivers.	†	Madera County
11. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement procedures to more closely monitor requests for authorizations for foster children's psychotropic medications that exceed the state guidelines for multiple prescriptions, specific age groups, or dosage amounts. When prescribers request authorizations for prescriptions that exceed the state guidelines, counties should ensure the new court authorization forms contain all required information and, when necessary, follow up with prescribers about the medical necessity of the prescriptions. Counties should also document their follow-up monitoring in the foster children's case files. In instances in which counties do not believe that prescribers have adequate justification for exceeding the state guidelines, the counties should relay their concerns and related recommendations to the courts or parents.	Partially Implemented	County of Riverside
12. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should ensure that all foster children are scheduled to receive a follow-up appointment within 30 days of starting a new psychotropic medication.	Partially Implemented	County of Riverside
13. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement processes to ensure that foster children receive any needed mental health, psychosocial, behavioral health, or substance abuse services before and concurrently with receiving psychotropic medications.	Pending	County of Riverside
14. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement a systemic process for ensuring that court authorizations or parental consents are obtained and documented before foster children receive psychotropic medications and that court authorizations for psychotropic medications are renewed within 180 days as state law requires. The process should also ensure that the counties better document the court authorizations and parental consents in the foster children's case files.	Partially Implemented	County of Riverside
15. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should develop and implement a process for county staff and caregivers to work together to ensure the psychotropic medications are authorized before being provided to foster children. This process should also ensure that the counties obtain accurate medication start dates from caregivers.	Pending	County of Riverside
16. To improve its oversight of foster children who are prescribed psychotropic medications, Riverside County should take the following actions: Immediately adopt the state guidelines for its physicians' use when prescribing psychotropic medications and for the county's use when reviewing court authorization requests.	Resolved	County of Riverside
17. To improve its oversight of foster children who are prescribed psychotropic medications, Riverside County should continue to use its new tracking process to better ensure that court authorizations are renewed within 180 days.	Pending	County of Riverside

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement procedures to more closely monitor requests for authorizations for foster children's psychotropic medications that exceed the state guidelines for multiple prescriptions, specific age groups, or dosage amounts. When prescribers request authorizations for prescriptions that exceed the state guidelines, counties should ensure the new court authorization forms contain all required information and, when necessary, follow up with prescribers about the medical necessity of the prescriptions. Counties should also document their follow-up monitoring in the foster children's case files. In instances in which counties do not believe that prescribers have adequate justification for exceeding the state guidelines, the counties should relay their concerns and related recommendations to the courts or parents.	Pending	Sonoma County
19. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should ensure that all foster children are scheduled to receive a follow-up appointment within 30 days of starting a new psychotropic medication.	Pending	Sonoma County
20. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement processes to ensure that foster children receive any needed mental health, psychosocial, behavioral health, or substance abuse services before and concurrently with receiving psychotropic medications.	Partially Implemented	Sonoma County
21. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should implement a systemic process for ensuring that court authorizations or parental consents are obtained and documented before foster children receive psychotropic medications and that court authorizations for psychotropic medications are renewed within 180 days as state law requires. The process should also ensure that the counties better document the court authorizations and parental consents in the foster children's case files.	Pending	Sonoma County
22. To better ensure that foster children only receive psychotropic medications that are appropriate and medically necessary, counties should develop and implement a process for county staff and caregivers to work together to ensure the psychotropic medications are authorized before being provided to foster children. This process should also ensure that the counties obtain accurate medication start dates from caregivers.	Pending	Sonoma County
23. To improve its oversight of foster children prescribed psychotropic medications, Sonoma County should immediately adopt the state guidelines for its physicians' use when prescribing psychotropic medications and the county's use when reviewing court authorization requests.	Partially Implemented	Sonoma County
24. To improve its oversight of foster children prescribed psychotropic medications, Sonoma County should within six months, implement a process to review psychotropic medications that receive parental consent rather than court authorization.	Partially Implemented	Sonoma County
25. To improve its oversight of foster children prescribed psychotropic medications, Sonoma County should update its policies to describe methods for obtaining and documenting in the foster children's case files parental consents for psychotropic medications.	Pending	Sonoma County
26. To better ensure that counties only use parental consent in place of court authorization when it is appropriate, Social Services should assess Sonoma County's practice of advocating to the juvenile court that it delegate to parents the authority to administer psychotropic medications to foster children.	Pending	Department of Social Services
27. To better ensure that all caregivers are informed and educated regarding the use of psychotropic medications and the court authorization process, Social Services should develop instructions regarding these topics and provide them to caregivers, such as foster family agencies, that do not operate group homes.	Partially Implemented	Department of Social Services
28. To improve the State's and counties' oversight of psychotropic medications prescribed to foster children, the Legislature should require Social Services to collaborate with its county partners and other relevant stakeholders to develop and implement a reasonable oversight structure that addresses, at a minimum, the concerns identified in this audit report.	No Action Taken	Legislature
29. To improve the State's oversight of physicians who prescribe psychotropic medications to foster children, the Legislature should require the Medical Board to analyze Health Care Services' and Social Services' data in order to identify physicians who may have inappropriately prescribed psychotropic medications to foster children. If this initial analysis successfully identifies such physicians, the Legislature should require the Medical Board to periodically perform the same or similar analyses in the future. Further, the Legislature should require Health Care Services and Social Services to provide periodically to the Medical Board the data necessary to perform these analyses.	No Action Taken	Legislature

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>30. To improve the oversight of psychotropic medications prescribed to foster children, Social Services should collaborate with the counties and other relevant stakeholders—including Health Care Services, as necessary—to develop and implement a reasonable oversight structure that ensures the coordination of the State’s and counties’ various oversight mechanisms as well as the accuracy and completeness of the information in Social Services’ data system. This structure should include at least the following items:</p> <ul style="list-style-type: none"> <li>• Identification of the specific oversight responsibilities to be performed by the various state and local government agencies.</li> <li>• An agreement on how county staff such as social workers, probation officers, and public health nurses will use printed Health and Education Passports to obtain foster children’s necessary mental health information—including psychotropic medications and psychosocial services—for inclusion in Social Services’ data system.</li> <li>• A plan to ensure that counties have sufficient staff available to enter foster children’s mental health information into Social Services’ data system and the resources to pay for those staff.</li> <li>• An agreement on the specific information related to psychotropic medication—including but not limited to the medication name, maximum daily dosage, and court authorization date—and psychosocial services and medication follow-up appointment information that county staff must enter into Social Services’ data system for inclusion in foster children’s Health and Education Passports.</li> <li>• Specific directions from Social Services regarding the correct medication start dates and court authorization dates counties should include in its data system and foster children’s Health and Education Passports.</li> <li>• An agreement on the training or guidance Social Services should provide to county staff members working with Social Services’ data system to ensure that they know how to completely and accurately update foster children’s Health and Education Passports.</li> <li>• An agreement on how the counties will use information on the new authorization forms that the Judicial Council approved to better oversee the prescription of psychotropic medications to foster children.</li> <li>• An agreement regarding how counties will implement, use, or disseminate the educational and informational materials the Quality Improvement Project has produced, including the “California Guidelines for the Use of Psychotropic Medication with Children and Youth in Foster Care”, “Questions to Ask About Medications”, and the “Foster Youth Mental Health Bill of Rights”.</li> <li>• An agreement on the specific measures and the best available sources of data the State and counties will use to oversee foster children prescribed psychotropic medications, including psychosocial services and medication follow-up appointments.</li> <li>• An agreement on how the State and counties will oversee psychotropic medications prescribed to foster children by fee-for-service providers who are not affiliated with county Medi-Cal mental health plans.</li> <li>• An agreement on the extent of information related to psychotropic medications prescribed to foster children that counties will include in the self-assessments, system improvement plans, and annual progress reports they develop as part of Social Services’ California Child and Family Services Reviews.</li> <li>• An agreement on the extent of the information related to psychotropic medications prescribed to foster children that counties will include in their responses to Health Care Services’ reviews, including its county Medi-Cal mental health plan compliance reviews and external quality reviews.</li> </ul>	Partially Implemented	Department of Social Services
<p>31. To ensure that the Medical Board can promptly complete its analysis to identify physicians who may have inappropriately prescribed psychotropic medications to foster children, Social Services and Health Care Services should continue to work with the Medical Board and its consultant to meet their data needs. If the Medical Board’s analysis is able to identify these physicians, Social Services and Health Care Services should enter into an agreement with the Medical Board to provide the information the Medical Board needs to perform similar analyses in the future.</p>	Partially Implemented	Department of Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
32. To ensure that the Medical Board can promptly complete its analysis to identify physicians who may have inappropriately prescribed psychotropic medications to foster children, Social Services and Health Care Services should continue to work with the Medical Board and its consultant to meet their data needs. If the Medical Board's analysis is able to identify these physicians, Social Services and Health Care Services should enter into an agreement with the Medical Board to provide the information the Medical Board needs to perform similar analyses in the future.	Partially Implemented	Department of Health Care Services
33. To increase the State's assurance that foster children do not receive medically inappropriate or unnecessary psychotropic medications, Health Care Services should devise and implement within six months methods to better enforce its prior authorization requirement for the off-label use of psychotropic medications. For example, Health Care Services should revise its claims system to automatically prompt pharmacists to submit treatment authorization requests when filling prescriptions for Medi-Cal beneficiaries under age 18 when the prescribed psychotropic medications have no FDA-approved pediatric uses. Furthermore, as part of its collaboration with Social Services and the counties to develop and implement a reasonable oversight structure, Health Care Services should determine whether information from the Judicial Council's revised court authorization forms would help it better enforce its prior authorization requirements.	†	Department of Health Care Services
34. To ensure that physicians do not inappropriately prescribe psychotropic medications to foster children, the Medical Board within 60 days should obtain and analyze the data from Health Care Services to identify physicians who may have inappropriately prescribed psychotropic medications for foster children.	Fully Implemented	Medical Board of California
35. Following the completion of the analysis (described in Recommendation 34), the Medical Board should take the appropriate follow-up actions that it deems necessary, including the investigation of physicians identified in its analysis.	Pending	Medical Board of California
36. To the extent that its analysis (described in Recommendation 34) is able to identify physicians who may have inappropriately prescribed psychotropic medications to foster children, the Medical Board should enter into an agreement with Health Care Services and Social Services within six months of completing its initial review to periodically obtain the data necessary to perform the same or similar analyses.	Partially Implemented	Medical Board of California

**Report Number I2016-2**

*Investigations of Improper Activities by State Agencies and Employees: Conflict of Interest, Violation of Post-Employment Ethics Restrictions, Waste of State Funds, Misuse of State Resources, and Incompatible Activities (August 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. Conduct a review of all staff in the former section chief's division to ensure that all appropriate personnel have completed the required ethics training within the last two years, as state law requires.	Fully Implemented	Department of Health Care Services
6. Designate a specific individual within the former section chief's division to track division staff's completion of ethics training. Health Care Services should ensure it maintains a copy of the staff's certificates of completion for five years as required by state law and department policy.	Fully Implemented	Department of Health Care Services
7. Develop procedures for handling similar situations involving the one-year ban on former state employees engaging in prohibited communications should they occur in the future.	Fully Implemented	Department of Health Care Services
8. Immediately cease any further reimbursements to the official for travel from Sonoma County to Sacramento.	Fully Implemented	Department of Public Health
9. Ensure that all Public Health records reflect the official's headquarters as Sacramento.	Pending	Department of Public Health
10. Determine whether it should have reported the official's reimbursements as a taxable fringe benefit and, if so, amend any relevant tax documents.	Pending	Department of Public Health
11. Revise its policies regarding travel expense processing to ensure that its travel unit staff looks for travel patterns and other indications of improper travel expense claims.	Partially Implemented	Department of Public Health

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. Provide training to all approving supervisors and managers who oversee staff who travel for work purposes to ensure that they understand how to properly determine and establish headquarters locations for their employees.	Partially Implemented	Department of Public Health
19. Take appropriate corrective or disciplinary action against the executive for wasting \$2,970 by failing to explore placing the employee in an additional position.	Resolved	Napa State Hospital
20. Request that CalHR conduct the necessary assessment to determine whether additional appointments are permissible if State Hospitals deems it necessary to have employees perform duties not related to their current positions.	Resolved	Napa State Hospital
21. Cease allowing the investigator to perform communications operator duties unless she is appointed to an additional position after a competitive selection process.	Fully Implemented	Napa State Hospital
22. Provide training to the executive about when full-time employees may perform duties that are significantly different from those of their own job classifications and how to make additional appointments when permissible.	Fully Implemented	Napa State Hospital

**Report Number 2016-108**

*Department of Developmental Services: It Cannot Verify That Vendor Rates for In-Home Respite Services Are Appropriate and That Regional Centers and Vendors Meet Applicable Requirements (October 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that Developmental Services is paying reasonable and appropriate rates to vendors for in-home respite services, the Legislature should clarify whether the rate freeze imposed by the 1998 legislation is still in effect despite the numerous legislative rate adjustments made since then. Further, the Legislature should clarify whether the 2003 legislation that imposed a cap on vendors' hourly payment rates constitutes only a ceiling on increases of in-home respite rates and require Developmental Services to resume collecting cost statements and adjust the rates if appropriate.	Pending	Legislature
2. To ensure that vendors' in-home respite hourly payment rates are reasonable and appropriate, particularly when compared to their administrative costs and the hourly wages they pay to respite workers, the Legislature should require Developmental Services to conduct an in-depth review of its in-home respite rates by November 1, 2017. In conducting this review, the Legislature should require Developmental Services to perform the following: <ul style="list-style-type: none"> <li>• Obtain and analyze all vendors' cost statements to determine their costs of providing services and whether vendors' administrative costs are reasonable.</li> <li>• Obtain information from vendors on the hourly wages they pay to respite workers and analyze this information to determine whether vendors' hourly rates are reasonable.</li> <li>• Using information from the cost statements, identify whether vendors' temporary rates should be converted to permanent rates.</li> <li>• Submit a report to the Legislature on the results of its review, including a proposal on the extent to which legislative changes are needed to ensure that in-home hourly respite rates are appropriate.</li> </ul>	Pending	Legislature
3. To ensure the health and safety of individuals with developmental disabilities, the Legislature should require workers who provide in-home respite services to consumers to undergo a criminal background check. For the other services that fall under the Lanterman Act, the Legislature should require Developmental Services to conduct a review of the types of services provided directly to consumers and whether any oversight mechanisms are in place to ensure that workers providing these services do not have criminal backgrounds. The Legislature should require Developmental Services to report the results of this review no later than December 31, 2017, and, using the results of this review, determine whether legislation requiring such workers to undergo criminal background checks is necessary to protect the health and safety of individuals with developmental disabilities.	Pending	Legislature
4. To ensure that regional centers are aware of the benefits, including cost savings to the State that can be realized by using financial management services vendors, Developmental Services should formally communicate to regional centers regarding the model.	Pending	Department of Developmental Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. To ensure that in-home respite vendors are providing quality services and that vendors are adhering to state requirements, Developmental Services should issue regulations requiring regional centers to conduct periodic and ongoing reviews of vendors' programs, employees, and consumer records.	Pending	Department of Developmental Services
6. To ensure that in-home respite vendors comply with vendor requirements on an ongoing basis, Developmental Services should require the regional centers to develop a process to conduct biennial reviews of the vendor files the regional centers maintain and document the outcome of the review in the files. Developmental Services should require the regional centers to take appropriate action to ensure that vendors comply, up to and including terminating the vendorization, if necessary.	Pending	Department of Developmental Services
7. To ensure that it is providing oversight in accordance with state law and federal requirements, Developmental Services should ensure that it performs audits of each regional center every two years as required. In conducting these audits, Developmental Services should consistently include a review of in-home respite services.	Pending	Department of Developmental Services

**Report Number 2016-046**

*Board of Registered Nursing: Significant Delays and Inadequate Oversight of the Complaint Resolution Process Have Allowed Some Nurses Who May Pose a Risk to Patient Safety to Continue Practicing(December 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that BRN receives timely and consistent notification of nurses' alleged violations of the Nursing Act, the Legislature should require the employers of registered nurses to report to BRN the suspension, termination, or resignation of any registered nurse due to alleged violations of the Nursing Act.	Pending	Legislature
2. If BRN does not develop and implement an action plan by March 1, 2017, to prioritize and resolve its deficiencies, as mentioned in the first recommendation to BRN, the Legislature should consider transferring BRN's enforcement responsibilities to Department of Consumer Affairs (Consumer Affairs).	Pending	Legislature
3. The Legislature should amend state law to require BRN to conduct investigations of complaints alleging substance abuse or mental illness against nurses who choose to enter the intervention program.	Pending	Legislature
4. To ensure that it promptly addresses this report's findings, BRN should work with the Consumer Affairs to develop an action plan by March 1, 2017, to prioritize and resolve the deficiencies we identified.	Pending	Board of Registered Nursing
5. To ensure that BRN resolves complaints regarding nurses in a timely manner, by March 1, 2017, it should develop and implement formal policies that specify required time frames for each key stage of the complaint resolution process, including time frames for how quickly complaints should be assigned to the proper investigative unit or expert witness, and how long the investigation process should take. BRN should also work with Consumer Affairs' Division of Investigation (DOI) to establish a reasonable goal for the length of time DOI's investigators take to conduct investigations of complaints referred to it by BRN.	Pending	Board of Registered Nursing
6. To ensure that BRN resolves complaints regarding nurses in a timely manner, by March 1, 2017, it should establish a formal, routine process for management to monitor each key stage of the complaint resolution process to determine whether the time frames are being met, the reasons for any delays, and any areas in the process that it can improve.	Pending	Board of Registered Nursing
7. To ensure that BRN resolves complaints regarding nurses in a timely manner, by March 1, 2017, it should establish a plan to eliminate its backlog of complaints awaiting assignment to an investigator.	Pending	Board of Registered Nursing
8. To increase its pool of expert witnesses, by June 2017, BRN should develop and implement a process to track the effectiveness of the methods it uses to recruit expert witnesses, and then focus its efforts on those methods that prove to be the most successful.	Pending	Board of Registered Nursing

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. To increase its pool of expert witnesses, by June 2017, BRN should modify its renewal application process for nurses' licenses to include a question regarding whether they would be interested in serving as an expert witness, and then develop a process to promptly follow-up with those nurses.	Pending	Board of Registered Nursing
10. To increase its pool of expert witnesses, by June 2017, BRN should take the steps necessary to increase the hourly wage it pays expert witnesses.	Pending	Board of Registered Nursing
11. To ensure it does not risk compromising private and confidential information related to ongoing investigations of complaints, BRN should immediately ensure that any email correspondence it has with expert witnesses is transmitted securely.	Pending	Board of Registered Nursing
12. To ensure that it is able to accurately monitor the performance of its complaint resolution process and that it has accurate data to address its staffing needs, BRN should immediately begin working with Consumer Affairs to implement cost-effective input controls for BreEZe that will require BRN staff members to enter information into a complaint record in a way that is consistent with BRN's business processes, as well as to implement changes that would cause BreEZe to accurately identify the order in which activities occur.	Pending	Board of Registered Nursing
13. To ensure that it is able to accurately monitor the performance of its complaint resolution process and that it has accurate data to address its staffing needs, once it has implemented cost-effective input controls for BreEZe and accumulated six months of data, BRN should analyze these data to determine whether its staffing is sufficient to meet its workload.	Pending	Board of Registered Nursing
14. To ensure that it is able to accurately monitor the performance of its complaint resolution process and that it has accurate data to address its staffing needs, BRN should develop and implement training for all BRN complaint processing staff that instructs them on how to accurately enter information in complaint records that are contained in BreEZe, including the date BRN received the complaint, in a manner that is consistent with BRN's business processes.	Pending	Board of Registered Nursing
15. BRN should immediately comply with state law and adhere to the revised Consumer Protection Enforcement Initiative guidelines that DOI issued in August 2016. Additionally, BRN should establish and maintain a process for communicating with DOI to discuss any questions that arise in assigning a priority to a complaint or referring a complaint to the proper investigative unit.	Pending	Board of Registered Nursing
16. To ensure that BRN and DOI consistently conduct adequate investigations and obtain sufficient and appropriate evidence to discipline nurses accused of violating the Nursing Act if warranted, BRN in collaboration with Consumer Affairs should implement a mechanism by March 2017 to track and monitor supplemental investigation requests that result from investigators' failure to obtain required documentation or sufficient evidence and use this information to mitigate the causes of these failures.	Pending	Board of Registered Nursing
17. To ensure that BRN and DOI consistently conduct adequate investigations and obtain sufficient and appropriate evidence to discipline nurses accused of violating the Nursing Act if warranted, BRN in collaboration with Consumer Affairs should coordinate with the Attorney General to develop a biennial training program that includes techniques for gathering appropriate evidence and ensure that all investigators, including DOI's investigators, participate in this training.	Pending	Board of Registered Nursing
18. To ensure that BRN and DOI consistently conduct adequate investigations and obtain sufficient and appropriate evidence to discipline nurses accused of violating the Nursing Act if warranted, BRN in collaboration with Consumer Affairs should use this training program to develop a procedural guide that specifies proper evidence-gathering techniques, including a description of what constitutes sufficient evidence, for investigators to follow when investigating complaints. They should then distribute this guide to all investigators, including DOI's investigators, by December 2017, and jointly instruct them to adhere to the guide when conducting investigations.	Pending	Board of Registered Nursing
19. To ensure that its enforcement unit employees appropriately address and process complaints in a consistent and efficient manner, by March 2017, BRN should develop a process to centrally track the internal and external trainings its staff participate in. On a regular basis, managers should review this information to ensure enforcement staff are participating in a timely manner in appropriate trainings that address the enforcement activities they specifically perform and the types of complaints they may investigate.	Pending	Board of Registered Nursing



RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
20. To ensure that its enforcement unit employees appropriately address and process complaints in a consistent and efficient manner, BRN should implement a formal training program no later than December 2017. In developing this program, BRN should consult with DOI and the Attorney General to identify training that could benefit its enforcement staff, and also solicit input of its enforcement staff on areas of their job duties where they believe they need additional training.	Pending	Board of Registered Nursing
21. BRN should immediately stop overriding fingerprint holds in BreEZe based solely on the fact that fingerprint data is present in BRN's legacy system and, for those cases where it believes it is necessary to override the system, BRN should receive its executive officer's approval to do so and document both the reason for the override and evidence of the executive officer's approval.	Pending	Board of Registered Nursing
22. BRN should continue working with Justice and Consumer Affairs and finalize its reconciliation, by March 1, 2017, of Justice's fingerprint data with its data in BreEZe to identify any nurses who are missing fingerprint records. Once this reconciliation is performed, BRN must take the steps necessary to immediately obtain fingerprints from those nurses for which Justice has no fingerprint records.	Pending	Board of Registered Nursing
23. To ensure that it has prompt access to adequate information that could affect the status of a nurse's license, by June 2017, BRN should establish formal agreements with other agencies and other health boards that have information pertaining to a nurse's misconduct.	Pending	Board of Registered Nursing
24. To ensure that it has prompt access to adequate information that could affect the status of a nurse's license, by June 2017, BRN should work with Consumer Affairs and other health boards to determine whether modifying BreEZe to include a capability that would allow it to promptly notify BRN when another health board receives a complaint or takes disciplinary action against a licensed nurse is cost-effective. If it is, add this functionality to BreEZe.	Pending	Board of Registered Nursing
25. To ensure that it promptly and appropriately sends notifications to complainants as state law requires, by March 2017, BRN should develop desk procedures that describe the actions enforcement staff members should take when processing incoming complaints and when BRN reaches a final disposition on a case.	Pending	Board of Registered Nursing
26. To ensure that it promptly and appropriately sends notifications to complainants as state law requires, by March 2017, BRN should establish formal procedures, such as managers performing routine audits of complaint files, to monitor incoming complaints and final dispositions.	Pending	Board of Registered Nursing



## Senate Budget Subcommittee 4 on State Administration and General Government

Report Number 2014-116

*California Department of Consumer Affairs' BreEZe System: Inadequate Planning and Oversight Led to Implementation at Far Fewer Regulatory Entities at a Significantly Higher Cost (February 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it receives timely and meaningful information regarding the status of the BreEZe project, the Legislature should enact legislation that requires the Department of Consumer Affairs (Consumer Affairs) to submit a statutory report annually, beginning on October 1, 2015, that will include Consumer Affairs' plan for implementing BreEZe at those regulatory entities included in the project's third phase, including a timeline for the implementation.	No Action Taken	Legislature
2. To ensure that it receives timely and meaningful information regarding the status of the BreEZe project, the Legislature should enact legislation that requires Consumer Affairs to submit a statutory report annually, beginning on October 1, 2015, that will include the total estimated costs through implementation of the system at the remaining 19 regulatory entities and the results of any cost-benefit analysis it conducted for phase 3.	No Action Taken	Legislature
3. To ensure that it receives timely and meaningful information regarding the status of the BreEZe project, the Legislature should enact legislation that requires Consumer Affairs to submit a statutory report annually, beginning on October 1, 2015, that will include a description of whether and to what extent the system will achieve any operational efficiencies resulting from implementation by the regulatory entities.	No Action Taken	Legislature
4. To help ensure the success of the BreEZe project going forward, the California Department of Technology (Technology Department) should ensure that Consumer Affairs responds promptly to, and adequately addresses, concerns raised by its independent project oversight (IPO) specialist and its independent verification and validation (IV&V) consultant.	Fully Implemented	California Department of Technology
5. To help ensure the success of the BreEZe project going forward, Technology Department should require Consumer Affairs to develop and follow all project management plans and ensure that the BreEZe project team leads receive all required training.	Fully Implemented	California Department of Technology
6. To help ensure the success of the BreEZe project going forward, Technology Department should document key discussions with Consumer Affairs in which significant concerns are raised about Accenture and assessments of the department's performance by the IV&V consultant and the IPO specialist.	Fully Implemented	California Department of Technology
7. If Consumer Affairs receives the necessary funding and resources to successfully implement BreEZe at the phase 2 regulatory entities and the project continues to face escalating costs, Technology Department should require Consumer Affairs to conduct an analysis of the costs and benefits of moving forward with the project as planned or of suspending or terminating the project.	Resolved	California Department of Technology
8. Continue implementing the State Technology Approval Reform (STAR) project for state departments and ensure that its framework requires departments undertake detailed business process analyses before submitting feasibility study reports to Technology Department for approval.	Fully Implemented	California Department of Technology
9. Continue implementing the STAR project for state departments and ensure that its framework requires departments use detailed business process analyses to justify the type of information technology (IT) solution they are proposing, such as a commercial off-the-shelf or a fully customized system.	Fully Implemented	California Department of Technology
10. Continue implementing the STAR project for state departments and ensure that its framework requires departments use detailed business process analyses to inform the resulting request for proposals (RFPs) and that they ensure that the RFPs contain adequate requirements.	Fully Implemented	California Department of Technology
11. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should require state departments to follow its IT policies, including developing all necessary plans and receiving all required training.	Not Fully Implemented	California Department of Technology

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should ensure that departments obtain IPO and IV&V services as soon as an IT project is approved. Additionally, Technology Department should document key discussions with any department in which the IV&V consultant and the IPO specialist raise significant concerns about a project, and ensure that the respective department responds promptly to, and adequately addresses, the concerns that the IPO specialist and the IV&V consultant raise.	Not Fully Implemented	California Department of Technology
13. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should require state departments to appropriately address deficiencies identified in Technology Department's approval of any SPRs as conditions that must be met, and to do so according to specified timelines. If the deficiencies are not adequately addressed within the specified timelines, Technology Department should take action to suspend the project until the department has either resolved the identified deficiencies or adequately documented its justification for not addressing the deficiencies.	Not Fully Implemented	California Department of Technology
14. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should develop thresholds relating to IT project cost increases and schedule delays to inform and better justify its decision to allow an IT project to continue. If a department's IT project reaches or exceeds these thresholds, Technology Department should require the department to conduct a cost-benefit analysis for the project and include this analysis in an SPR. Technology Department should consider the results of this analysis in its decision to approve or deny the SPR and, if warranted, take action to suspend or terminate the project so that it does not allow projects with significant problems to continue without correction.	Not Fully Implemented	California Department of Technology
15. To make certain that Consumer Affairs has a project team that consists of staff trained in managing IT projects, it should ensure that all the BreEZe project team leads obtain all required project management training.	Fully Implemented	Department of Consumer Affairs
16. Consumer Affairs should develop a process to ensure that it prepares all required project management documents and undertakes all oversight activities related to BreEZe as Technology Department requires so that it can prevent or identify and monitor future problems as they arise. This includes taking steps to sufficiently respond to any concerns that the IPO specialist and the IV&V consultant raise.	Fully Implemented	Department of Consumer Affairs
17. To the extent that Consumer Affairs chooses to implement BreEZe at the phase 3 regulatory entities, it should first complete a formal cost-benefit analysis to ensure that BreEZe is a cost-effective solution to meet these regulatory entities' business needs. To make certain this analysis is complete, it should include an assessment of the potential changes these regulatory entities may require to be made of the BreEZe system and the associated costs. Consumer Affairs should complete the cost-benefit analysis before investing any more resources into the implementation of BreEZe at the phase 3 regulatory entities, and it should update this analysis periodically as significant assumptions change.	Not Fully Implemented	Department of Consumer Affairs
18. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, system requirements that are specific to each regulatory entity as applicable.	Fully Implemented	Department of Consumer Affairs
19. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, a project team that is qualified and experienced.	Fully Implemented	Department of Consumer Affairs
20. If Consumer Affairs determines that a new IT system is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, development of and adherence to all project management plans.	Fully Implemented	Department of Consumer Affairs
21. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, planning and implementation of effective organizational change management.	Fully Implemented	Department of Consumer Affairs
22. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, timely response to concerns that the IV&V consultant and the IPO specialist raise.	Fully Implemented	Department of Consumer Affairs
23. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, sufficient staffing.	Fully Implemented	Department of Consumer Affairs

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should document its reasons for approving any deviations from standard contract language.	Fully Implemented	California Department of Technology
25. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should ensure that contract language gives departments the rights to the source code necessary to complete the project if a contract is terminated for convenience.	Fully Implemented	California Department of Technology
26. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should ensure that contract language contains assurances that state funds will not be used for unauthorized purposes.	Fully Implemented	California Department of Technology
27. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should ensure that contracting departments can appropriately manage IT maintenance support contracts by including service-level agreements in these contracts.	Fully Implemented	California Department of Technology
28. To ensure that contracting departments comply with requirements, Technology Department should periodically monitor the status of contracts and enforce adherence to procurement requirements. For example, Technology Department should ensure that contracting departments forward all change requests to it and that it conducts reviews of all change requests to determine whether the changes exceed the scope of the respective contract.	Not Fully Implemented	California Department of Technology
29. To ensure that it complies with all terms of the BreEZe contract, Consumer Affairs should develop and follow a process for doing so, including documenting how it has met applicable contract terms, such as forwarding all change requests to Technology Department.	Fully Implemented	Department of Consumer Affairs
34. Consumer Affairs should continue to work with the phase 1 regulatory entities to ensure that the issues they are facing with BreEZe are being resolved in a timely manner, with particular attention to understanding their reporting needs and improving the system's reporting capabilities.	Fully Implemented	Department of Consumer Affairs
35. To ensure that future training for BreEZe system rollouts is timely and effective, Consumer Affairs should provide training on the BreEZe system as close to the rollout date as possible to ensure that staff retain the information for using the system as it is implemented.	Not Fully Implemented	Department of Consumer Affairs
36. To ensure that future training for BreEZe system rollouts is timely and effective, Consumer Affairs should work with the regulatory entities to develop training that is specific to each entity's business processes.	Not Fully Implemented	Department of Consumer Affairs

**Report Number 2014-602**

*High Risk Update—California Department of Technology: Lack of Guidance, Potentially Conflicting Roles, and Staffing Issues Continue to Make Oversight of State Information Technology Projects High Risk (March 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. By December 2015, Technology Department should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including when and how IPO analysts should recommend corrective action and escalate issues to Technology Department's management.	Not Fully Implemented	California Department of Technology
2. By December 2015, Technology Department should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including when and what Technology Department should require that sponsoring agencies perform as remedial actions, and what sanctions Technology Department will impose for noncompliance with these remedial actions.	Not Fully Implemented	California Department of Technology
3. By December 2015, Technology Department should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including what conditions could trigger Technology Department to consider suspending or terminating an IT project.	Not Fully Implemented	California Department of Technology

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To clarify and reinforce its oversight authority with sponsoring agencies, by December 2015 Technology Department should develop a method to formally document and communicate its expectations with the sponsoring agencies whose projects are under Technology Department's oversight.	Not Fully Implemented	California Department of Technology
5. To help ensure the independence and objectivity of IPO analysts working in the oversight and consulting division, Technology Department should develop a policy outlining expectations for independence and objectivity while performing oversight of IT projects.	Fully Implemented	California Department of Technology
6. To help ensure the independence and objectivity of IPO analysts working in the oversight and consulting division, Technology Department should provide regular training regarding maintaining independence while conducting project oversight.	Partially Implemented	California Department of Technology
7. To better track its oversight actions and sponsoring agencies' responses to these actions, Technology Department should retain the briefing documents created for the State CIO's portfolio meetings and the project status reports that sponsoring agencies submit while project oversight is ongoing.	Fully Implemented	California Department of Technology
8. To better track its oversight actions and sponsoring agencies' responses to these actions, Technology Department should record action items from all portfolio meetings.	Fully Implemented	California Department of Technology
9. To ensure that the sponsoring agencies' project status reports provide a reliable and consistent assessment of an IT project's progress, Technology Department should develop and adopt specific standards that describe how to calculate and report the project's current status.	Not Fully Implemented	California Department of Technology
10. To attract and retain employees with appropriate experience and qualifications to perform IT project oversight, Technology Department should continue its efforts to gain approval to modify and use the project manager classification for the IPO analyst role.	Not Fully Implemented	California Department of Technology
11. To ensure that it provides the appropriate level of oversight for IT projects under development, by December 2015 Technology Department should conduct a workload assessment to determine the level of staffing and expertise required for each IT project it oversees.	Fully Implemented	California Department of Technology
12. Using the workload assessment that we recommended Technology Department complete by December 2015, Technology Department should make decisions to assign staffing to oversee each IT project. This staffing could include contracted IPO consultants in those situations when Technology Department staff either are unavailable or lack the expertise needed.	Fully Implemented	California Department of Technology
13. To improve its oversight training, by June 2015 Technology Department should continue to implement a consistent and repeatable training plan for IPO analysts, which includes contract management, project assessment, IT systems engineering, and maintaining independence.	Not Fully Implemented	California Department of Technology
14. By June 2015, Technology Department should put in place a system to track IPO analysts' training hours to ensure that all IPO analysts have completed the necessary California Project Management Methodology training curriculum.	Fully Implemented	California Department of Technology

**Report Number 2015-608**

*High Risk—State Departments Need to Improve Their Workforce and Succession Planning Efforts to Mitigate the Risks of Increasing Retirements (May 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The Legislature should consider amending state law to expressly authorize the California Department of Human Resources (CalHR) to oversee efforts across state departments for workforce and succession planning, such as by monitoring the development and implementation of plans, and to compel departments to provide it with information concerning such planning. Further, the Legislature should consider requiring that CalHR update it on an annual basis, beginning in fiscal year 2016–17, on the status of the workforce and succession planning at state departments.	Partially Implemented	Legislature
2. To improve the guidance that CalHR provides departments on how to mitigate the challenges of an aging workforce that will result in the retirement of many highly experienced employees, CalHR should develop a process by December 2015 to periodically evaluate and update its workforce and succession planning materials.	Fully Implemented	California Department of Human Resources

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that CalHR's reviews of departments' workforce and succession plans are consistent and reflect all best practices it recommends on its website, CalHR should revise its evaluation tool by June 2015 to include all of these best practices and other best practices it subsequently identifies.	Fully Implemented	California Department of Human Resources
4. To better enable CalHR to provide assistance to departments that is tailored to their needs, CalHR should survey state departments at least biannually to determine how the departments perceive the effectiveness of the resources and tools CalHR makes available to them.	Fully Implemented	California Department of Human Resources
5. To help ensure that state departments are prepared to address the loss of highly experienced employees, CalHR should obtain annually workforce and succession plans from all departments by June 30, starting in 2016, as well as any updates to and implementation status of the plans.	Fully Implemented	California Department of Human Resources
6. To ensure that CalHR can complete its workforce and succession planning workload on a timely basis and address other priorities that may arise, CalHR should develop an annual plan for the workforce planning unit by July 2015, and annually thereafter, that identifies the activities it plans to accomplish in the following fiscal year and the necessary resources. The plan should include, but not be limited to, activities such as evaluating the effectiveness of its guidance to departments, offering training sessions, conducting reviews of department workforce and succession plans, and addressing strategic initiatives.	Fully Implemented	California Department of Human Resources
7. To more adequately promote succession planning, CalHR should develop additional resources for departments to follow in developing succession plans by December 2015 and post the information on its website.	Fully Implemented	California Department of Human Resources
8. To improve state departments' knowledge of CalHR's resources and tools, CalHR should expand the content of its outreach emails to promote all its resources and tools.	Fully Implemented	California Department of Human Resources

**Report Number 2014-131**

*California State Government Websites: Departments Must Improve Website Accessibility So That Persons With Disabilities Have Comparable Access to State Services Online (June 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To maximize the accessibility of California's websites, the Legislature should amend state law to require that all state websites conform to WCAG 2.0 standards at compliance level AA in addition to the Section 508 standards.	No Action Taken	Legislature
2. To help ensure that California's accessibility standards remain current, the Legislature should amend state law to require Technology Department to monitor commonly accepted accessibility standards and apprise the Legislature of any changes to those standards that California should adopt.	No Action Taken	Legislature
5. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, the California Franchise Tax Board (Franchise Tax Board) should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Fully Implemented	Franchise Tax Board
6. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, CalHR should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Fully Implemented	California Department of Human Resources
9. No later than December 1, 2015, Franchise Tax Board should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Partially Implemented	Franchise Tax Board
10. No later than December 1, 2015, CalHR should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Fully Implemented	California Department of Human Resources

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure that state governmental entities have a clearly identified resource for web accessibility training, the Legislature should amend state law to name Technology Department as the lead agency responsible for providing training to state governmental entities on web accessibility issues, in consultation with Rehabilitation and other state departments as it determines necessary.	No Action Taken	Legislature
12. To ensure that governmental entity personnel have the information and tools necessary to develop and maintain accessible websites, the Legislature should require governmental entities to provide or obtain web accessibility training at least once every three years for staff involved in the procurement or development of websites or web-based services.	No Action Taken	Legislature
13. To help ensure that all state governmental entities appropriately test their websites for accessibility, the Legislature should direct all state governmental entities to report every other year to Technology Department regarding the frequency and method of their web accessibility testing and their efforts to resolve accessibility issues they identify. Such reporting should include signed certifications from the highest-ranking technology officer at the governmental entity and documentation that supports the claimed testing as well as the entity's effort to fix identified issues. Further, the Legislature should direct Technology Department to assess the sufficiency of each governmental entity's testing and remediation approach and publicize the results of its review online.	No Action Taken	Legislature
16. To ensure that updates to its website are tested for accessibility, by July 31, 2015, CalHR should develop and follow a written test approach that describes how and when changes to its website will be reviewed. This plan should describe how the department will include both automated and manual forms of accessibility testing.	Fully Implemented	California Department of Human Resources
18. To ensure that it can adequately track the results of its accessibility testing, by July 31, 2015, CalHR should develop tracking tools that will allow it to document its testing efforts. At a minimum, these tools should track what portions of its jobs site were tested, what errors were found, and whether and when those errors were addressed.	Fully Implemented	California Department of Human Resources
22. So that complaints from the public do not go unaddressed, by July 31, 2015, CalHR should develop procedures for addressing complaints about the accessibility of its website and methods for tracking the complaints it receives and their resolution.	Fully Implemented	California Department of Human Resources
23. To ensure that all state departments are reminded about web accessibility requirements and best practices, by July 31, 2015, Technology Department should issue an official reminder that directs state departments to key policy documents and the SIMM for additional information about how to meet their obligation to provide accessible websites.	Fully Implemented	California Department of Technology
25. To help state websites achieve a higher degree of overall accessibility, by July 31, 2015, Technology Department should post standard browser usability features and links to further information on its resources website, and direct all state departments to include this information on their websites.	Fully Implemented	California Department of Technology
26. To standardize California's approach to web accessibility testing, Technology Department should issue a policy that specifies the method by which state departments should conduct web accessibility testing. This policy should include information about a minimum combination of operating systems, browsers, and assistive technologies that should be used during testing.	Fully Implemented	California Department of Technology

**Report Number 2015-505**

*Follow-Up—California Department of Veterans Affairs: Better Collection and Use of Data Would Improve Its Outreach Efforts, and It Needs to Strengthen Its Oversight of County Veterans Service Officer Programs (July 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The California Department of Veterans Affairs (CalVet) should fully implement the recommendations from our 2009 report.	Partially Implemented	Department of Veterans Affairs
2. The CalVet Veterans Services Division (Veterans Services) should develop and implement a plan by December 31, 2015, to routinely analyze and use myCalVet data to identify trends in the services veterans and their families indicate they are most interested in and incorporate the results of such analyses into its outreach efforts.	Not Fully Implemented	Department of Veterans Affairs



RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To determine the most successful methods for informing veterans and their families about the myCalVet website, and to increase the number of registered users, Veterans Services should evaluate myCalVet data to identify which marketing methods were most effective in informing registered users about the website. Veterans Services should complete this analysis on an annual basis, beginning no later than December 31, 2015.	Fully Implemented	Department of Veterans Affairs
4. To enhance the effectiveness of its outreach activities, CalVet should initiate, by October 31, 2015, steps to establish a regulation, in accordance with state law, that will require the local County Veterans Service Officer programs (CVSOs) to report information on their outreach activities to CalVet.	Fully Implemented	Department of Veterans Affairs
5. To ensure that the funding it distributes to the CVSOs is consistent with their actual workloads, Veterans Services should, by December 31, 2015, develop and implement procedures to more thoroughly review the accuracy of the data in the CVSOs' workload activity reports by reviewing the records that are the basis of the reports.	Fully Implemented	Department of Veterans Affairs
6. To ensure correctness, completeness, and consistency in its audits of the CVSOs' workload activity reports, Veterans Services should formalize and document its audit procedures for reviewing these reports by December 31, 2015.	Fully Implemented	Department of Veterans Affairs
7. To improve its oversight of the College Fee Waiver Program and ensure that the CVSOs are not erroneously waiving college fees, Veterans Services should develop and implement a review process for college fee waivers by December 31, 2015.	Fully Implemented	Department of Veterans Affairs

**Report Number 2015-611**

*High Risk Update—Information Security: Many State Entities' Information Assets Are Potentially Vulnerable to Attack or Disruption (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To improve reporting entities' level of compliance with the State's security standards, the Legislature should consider mandating that the Technology Department conduct, or require to be conducted, an independent security assessment of each reporting entity at least every two years. This assessment should include specific recommendations, priorities, and time frames within which the reporting entity must address any deficiencies. If a third party vendor conducts the independent security assessment, it should provide the results to the Technology Department and the reporting entity.	Legislation Enacted	Legislature
2. To improve reporting entities' level of compliance with the State's security standards, the Legislature should consider authorizing the Technology Department to require the redirection of a reporting entity's legally available funds, subject to the California Department of Finance's approval, for the remediation of information security weaknesses.	No Action Taken	Legislature
3. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should ensure the consistency and accuracy of its self certification process by developing a self assessment tool by December 2015 that reporting entities can use to determine their level of compliance with the security standards. The Technology Department should require reporting entities to submit completed self assessments along with their self certifications.	Not Fully Implemented	California Department of Technology
4. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should provide more extensive guidance and training to reporting entities regarding the self certification process, including training on how they should use the new self assessment tool.	Not Fully Implemented	California Department of Technology
5. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should develop internal policies and procedures to ensure that it reviews all reporting entities' self assessments and self certifications, including requiring supporting evidence of compliance when feasible.	Fully Implemented	California Department of Technology
6. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should annually follow up on the remediation plans that reporting entities submit.	Fully Implemented	California Department of Technology

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To provide effective oversight of reporting entities' information security, the Technology Department should expand on its pilot audit program by developing an ongoing risk based audit program. If the Technology Department requests additional resources, it should fully support its request.	Fully Implemented	California Department of Technology
8. The Technology Department should revise its certification form to require reporting entities to submit detailed information about their compliance with the security standards. It should use this information to track and identify trends in the State's overall information security.	Not Fully Implemented	California Department of Technology
9. The Technology Department should develop policies and procedures to define the process and criteria it will use to incentivize entities' compliance with the security standards.	Not Fully Implemented	California Department of Technology
10. To improve the clarity of the security standards, the Technology Department should perform regular outreach to all reporting entities to gain their perspectives, identify any unclear or inconsistent security standards, and revise them as appropriate.	Not Fully Implemented	California Department of Technology
11. To improve the clarity of the security standards, the Technology Department should develop and regularly provide detailed training on the requirements of the security standards and on best practices for achieving compliance. It should provide these trainings in a variety of locations and formats, including webinars.	Not Fully Implemented	California Department of Technology

**Report Number I2015-1***Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
20. To recoup some of the wasted funds the Chula Vista Veterans Home spent on purchasing the boom lift, CalVet should determine the boom lift's present-day value and consider either selling or auctioning it.	Resolved	Department of Veterans Affairs
21. To ensure state departments that are considering whether to hire the accounting officer are aware of her improper activities, including using state equipment and materials to type and print a large volume of personal documents, and using her position to improperly access the department's database, the Employment Development Department (Employment Development) should determine what documentation, if any, it should place in the accounting officer's personnel file to indicate that she resigned while under investigation.	Fully Implemented	Employment Development Department
22. To alert future state employers to the supervisor's improper activities, the Department of Industrial Relations (Industrial Relations) should determine what documentation, if any, it should place in the supervisor's personnel file indicating that he resigned while under investigation. The improper activities substantiated by this investigation include misusing state-compensated time and state email account to coordinate the sale of copied movies and music, sending sexually suggestive emails during his work hours, and misusing a state printer to print materials for a co-worker's fitness studio.	Fully Implemented	Department of Industrial Relations
27. Employment Development should pursue appropriate disciplinary action against the employee to ensure that she discontinues misusing public resources.	Fully Implemented	Employment Development Department
33. To ensure that employees limit their personal use of state resources to minimal and incidental use, Industrial Relations should remind employees of the prohibitions against misusing state resources, including time, email, and office space.	Fully Implemented	Department of Industrial Relations

**Report Number 2015-508**

*Follow-Up—Federal Workforce Investment Grants: The Employment Development Department Established Procedures for Seeking Discretionary Grants, but Needs to Strengthen Them (September 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that its grant-seeking process is effective in considering grant opportunities related to workforce investment, Employment Development should update its grant identification and analysis procedures by December 31, 2015, to include the following:</p> <ul style="list-style-type: none"> <li>• Identification of the appropriate level of management or staff to analyze and document the factors considered in pursuing or forgoing grant opportunities.</li> <li>• Documentation of grant analyses, including factors considered in pursuing or forgoing grant opportunities.</li> <li>• Documentation of decisions related to pursuing or forgoing grants.</li> <li>• A method for ensuring that the process is consistently implemented.</li> <li>• Training of appropriate management or staff about Employment Development’s grant-seeking process.</li> </ul>	Partially Implemented	Employment Development Department
<p>2. To ensure that the State maximizes federal funding opportunities related to workforce investment, Employment Development and the state board should formalize their collaborative grant-seeking procedures by December 31, 2015, to clearly define their respective roles and responsibilities in the grant-seeking process.</p>	Pending	Employment Development Department
<p>3. To ensure that the state board assesses the merits of pursuing federal funding for workforce investment programs in California, it should establish procedures by December 31, 2015, that include, at a minimum, the following:</p> <ul style="list-style-type: none"> <li>• The methods it will use to identify federal grant opportunities.</li> <li>• The factors it will consider in its decisions to pursue or forgo applying for these grants.</li> <li>• The process by which it will document its analyses of grants and its final decisions to either pursue or forgo grant opportunities.</li> <li>• A method for ensuring that the process is consistently implemented.</li> </ul>	Partially Implemented	California Workforce Investment Board
<p>4. To ensure that the State maximizes federal funding opportunities related to workforce investment, Employment Development and the state board should formalize their collaborative grant-seeking procedures by December 31, 2015, to clearly define their respective roles and responsibilities in the grant-seeking process.</p>	Pending	California Workforce Investment Board

**Report Number 2015-119**

*State Board of Equalization: Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To make the State Board of Equalization’s (board) Cigarette and Tobacco Products Licensing Program (licensing program) self-supporting, the Legislature should consider passing legislation to implement a funding model that will include a license fee increase or a combination of license fee increases, continued use of money from the Cigarette Tax Fund, and a cigarette tax increase similar to one of the proposed options outlined in this report.</p>	No Action Taken	Legislature
<p>2. Unless the Legislature directs the board to eliminate the Cigarette and Tobacco Products Compliance Fund’s (compliance fund) excess fund balance within a time frame of more than a year, the board should eliminate the excess fund balance by June 30, 2017 by using it to offset the licensing program’s annual funding shortfall. The board should also limit the compliance fund’s future balance to no more than two months’ worth of licensing program expenditures.</p>	Pending	Board of Equalization
<p>3. The board’s Special Taxes Policy and Compliance Division should amend its budgeting process to reflect actual work that supervisors and support staff perform instead of adjusting staff members’ predetermined allocations of time to ensure that the division does not exceed each program’s budget.</p>	Fully Implemented	Board of Equalization

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. The Investigations and Special Operations Division should ensure that investigators charge their time according to division policy and should determine a method to more accurately allocate investigators' time instead of using the predetermined method established in 2005 and since discontinued.	Fully Implemented	Board of Equalization
5. To reduce the licensing program's enforcement cost without compromising the level of increased compliance with the cigarette and tobacco products tax law that the inspection program has produced, the board should reduce the number of annual inspections and reinspections of retailers, distributors, and wholesalers that it conducts each year to reflect changes in the number of licensees that sell cigarette and tobacco products in California. This adjustment should align with the same frequency of inspections that the board followed when it implemented the inspection program, which is 26 percent—or approximately one inspection every four years—of these licensed locations.	Pending	Board of Equalization

**Report Number I2016-1**

*Investigations of Improper Activities by State Agencies and Employees: Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15. The Department of General Services (General Services) should immediately revise the statewide policy contained in State Administrative Manual section 4100 so that state agencies are no longer required to use only General Services' vehicle rental services.	Fully Implemented	Department of General Services
16. General Services should notify the California Department of Resources Recycling and Recovery CalRecycle and all other state agencies that it has revised the requirement in State Administrative Manual section 4100.	Fully Implemented	Department of General Services

**Report Number 2015-117**

*California Department of General Services' Real Estate Services Division: To Better Serve Its Client Agencies, It Needs to Track and Analyze Project Data and Improve Its Management Practices (March 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To improve efficiencies and reduce some costs for less complex and easily repeatable projects, the Legislature should authorize the Real Estate Services Division (division) to create and implement a pilot program for job order contracting for appropriate projects, including a requirement that the division award contracts to the most qualified responsive bidders. The division should report to the Legislature on its progress within two years of implementing the pilot program, including, at a minimum, information regarding the time and cost savings the pilot program provided the State.	No Action Taken	Legislature
2. To ensure long-term efficient and effective delivery of projects, the division, in its planned implementation of its new project management system in July 2017, should ensure that the project management system can centrally track and extract all data regarding project status, including time delays, cost overages, and the reasons for each.	Pending	Department of General Services
3. To ensure long-term efficient and effective delivery of projects, the division, in its planned implementation of its new project management system in July 2017, should track the reasons that projects are pending to identify its true backlog of projects. In doing so, it should develop a process to follow up on those projects that are pending to ensure that they are not on hold unnecessarily and are appropriately moving forward.	Pending	Department of General Services
4. To ensure long-term efficient and effective delivery of projects, the division, in its planned implementation of its new project management system in July 2017, should, at least annually, use the centrally tracked data to identify common themes in the causes for project delays and cost overages and develop solutions to address these issues. Further, it should report the results of its review to General Services' executive management.	Pending	Department of General Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. Until the division implements its planned project management system, it should, by September 2016, develop a process to, at a minimum, identify project status and reasons for project delays as well as cost overages. Using these data, the division should modify its project management processes to ensure the efficient and effective delivery of projects.	Will Not Implement	Department of General Services
6. The division should develop and implement a process for preparing reasonable time frames and cost estimates for its projects within the building management branch. To better inform the development of this process, the division should evaluate the branch's structure, which should include a staffing analysis, to determine whether it is effectively organized and whether it should add cost estimator positions.	Partially Implemented	Department of General Services
7. To ensure that client agencies are paying equitable rates, by December 2016 General Services should develop and implement a strategy for allocating its administrative costs equally among all the projects it completes for client agencies, including those portions outsourced to private firms.	Partially Implemented	Department of General Services
8. To ensure that the project management branch charges its client agencies a competitive hourly rate, by December 2016 and every two years thereafter, the division should conduct a rate analysis that fully accounts for differences between the project management branch's rate and private firms' rates. If it finds that the rates are not competitive, the division should identify and implement strategies to ensure that the project management branch's rates are as competitive as they can be with those of its private firm counterparts. Further, the division should explore and implement any other reasonable methods to ensure that it is delivering projects as cost effectively as possible.	Partially Implemented	Department of General Services
9. To improve its communication with client agencies, the division should ensure that project managers are using consistent procedures by providing specific expectations related to communicating and documenting time delays, cost changes, and change orders, at a minimum.	Pending	Department of General Services
10. To improve its communication with client agencies, the division should develop a process for providing periodic detailed bills and invoices to client agencies clearly describing the work for which it is charging.	Pending	Department of General Services
11. To effectively evaluate the performance of its branches in delivering projects, the division should develop meaningful goals and objectives and a method of measuring its success in achieving them as part of its strategic plan that is focused on ensuring that projects are delivered on time and within budgeted cost estimates.	Pending	Department of General Services
12. To ensure that its project management staff are adequately trained and have the information necessary to deliver projects as efficiently and effectively as possible, the division should conduct a comprehensive survey every other year of all of its client agencies to inform necessary improvements to its processes and training program and, in the interest of transparency, make the survey results public.	Pending	Department of General Services
13. To ensure that its project management staff are adequately trained and have the information necessary to deliver projects as efficiently and effectively as possible, the division should develop and implement by December 2016 a periodic training program for staff within its project management and building management branches. This training program should include updated information that reflects any processes it revises based on its review of critical project status data and its progress toward meeting its goals.	Pending	Department of General Services

**Report Number 2015-134**  
*Residential Building Records: The Cities of San Rafael, Novato, and Pasadena Need to Strengthen the Implementation of Their Resale Record Programs (March 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it is aware of the degree of property owners' compliance with its resale record ordinance, the city of San Rafael (San Rafael) should implement procedures that can help it monitor the sale or exchange of properties that require resale record inspections. The city should work with applicable stakeholders, such as realtors, to aid in this effort.	Pending	City of San Rafael

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that it is aware of the degree of property owners' compliance with its resale record ordinance, the city of Novato (Novato) should implement procedures that can help it monitor the sale or exchange of properties that require resale record inspections. The city should work with applicable stakeholders, such as realtors, to aid in this effort.	Will Not Implement	City of Novato
3. To ensure that it is aware of the degree of property owners' compliance with its resale record ordinance, the city of Pasadena (Pasadena) should implement procedures that can help it monitor the sale or exchange of properties that require resale record inspections. The city should work with applicable stakeholders, such as realtors, to aid in this effort.	Will Not Implement	City of Pasadena
4. To verify that new property owners are aware of the health and safety concerns at their properties and any corrections they need to make, San Rafael should develop a process to ensure that it receives homeowners' cards.	Pending	City of San Rafael
5. To verify that new property owners are aware of the health and safety concerns at their properties and any corrections they need to make, Novato should develop a process to ensure that it receives homeowners' cards.	Will Not Implement	City of Novato
6. To verify that new property owners are aware of the health and safety concerns at their properties and any corrections they need to make, Pasadena should develop a process to ensure that staff sign the inspection certificates and add them to the city's database.	Pending	City of Pasadena
7. To ensure that it can monitor the satisfaction individuals have with the resale record program and that it has a uniform approach for resolving complaints, San Rafael should develop a formal process for tracking the complaints it receives. In addition, San Rafael should develop a formal policy that describes how staff should evaluate complaints, and it should document its activities associated with resolving complaints, such as the resolution and the rationale for the resolution. The city should also establish a designated location in its database to record this information.	Partially Implemented	City of San Rafael
8. To ensure that it can monitor the satisfaction individuals have with the resale record program and that it has a uniform approach for resolving complaints, Novato should develop a process for tracking the complaints it receives. In addition, Novato should develop a formal policy that describes how staff should evaluate complaints, and it should document its activities associated with resolving complaints, such as the resolution and the rationale for the resolution. The city should also establish a designated location in its database to record this information.	Fully Implemented	City of Novato
9. To ensure that it can monitor the satisfaction individuals have with the resale record program and that it has a uniform approach for resolving complaints, Pasadena should develop a formal process for tracking the complaints it receives. In addition, Pasadena should develop a formal policy that describes how staff should evaluate complaints, and it should document its activities associated with resolving complaints, such as the resolution and the rationale for the resolution. The city should also establish a designated location in its database to record this information.	Pending	City of Pasadena
10. San Rafael should develop formal written procedures for staff to follow up on property owners' correction of violations. These procedures should identify the method in which staff document in the database the violations identified during inspections and their actions to bring the property into compliance. In addition, the procedures should identify where within the database these documents should be kept as well as identify the protocol for ensuring that repeat violations are corrected in a timely manner.	Partially Implemented	City of San Rafael
11. Novato should develop formal written procedures for staff to follow up on property owners' correction of violations. These procedures should identify the method in which staff document in the database the violations identified during inspections and their actions to bring the property into compliance. In addition, the procedures should identify where within the database these documents should be kept as well as identify the protocol for ensuring that repeat violations are corrected in a timely manner.	Fully Implemented	City of Novato
12. Pasadena should develop formal written procedures for staff to follow up on property owners' correction of violations. These procedures should identify the method in which staff document in the database the violations identified during inspections and their actions to bring the property into compliance. In addition, the procedures should identify where within the database these documents should be kept as well as identify the protocol for ensuring that repeat violations are corrected in a timely manner.	Pending	City of Pasadena
13. To ensure that staff can identify any repeated violations, San Rafael's staff should review prior resale inspection reports before conducting subsequent resale record inspections.	Fully Implemented	City of San Rafael

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14. To ensure that property owners correct violations in a timely manner, San Rafael should develop a work plan by July 2016 to identify and address its enforcement backlog by April 2017, so that the city is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations. San Rafael's work plan should also include updating the completion status of the violations so unresolved violations can be identified and monitored for subsequent correction.	Partially Implemented	City of San Rafael
15. To ensure that property owners correct violations in a timely manner, Novato should develop a work plan by July 2016 to identify and address its enforcement backlog by April 2017, so that the city is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations.	Partially Implemented	City of Novato
16. To ensure that property owners correct violations in a timely manner, Pasadena should develop a work plan by July 2016 to identify and address its enforcement backlog by April 2017, so that the city is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations. Pasadena's work plan should also include updating the completion status of the violations so unresolved violations can be identified and monitored for subsequent correction.	Pending	City of Pasadena
17. To ensure that property owners correct violations in a timely manner, San Rafael should follow through with its enforcement policies, such as issuing notice letters.	Partially Implemented	City of San Rafael
18. To ensure that property owners correct violations in a timely manner, Novato should follow through with its enforcement policies, such as issuing notice letters.	Partially Implemented	City of Novato
19. To ensure that property owners correct violations in a timely manner, Pasadena should follow through with its enforcement policies, such as issuing notice letters.	Pending	City of Pasadena
20. To ensure that property owners correct violations in a timely manner, San Rafael should establish a written process for staff to monitor and ensure that property owners correct violations, including accurately identifying the properties that have not obtained necessary permits or have not had required reinspections performed.	Partially Implemented	City of San Rafael
21. To ensure that property owners correct violations in a timely manner, Novato should establish a written process for staff to monitor and ensure that property owners correct violations, including accurately identifying the properties that have not obtained necessary permits or have not had required reinspections performed.	Partially Implemented	City of Novato
22. To ensure that property owners correct violations in a timely manner, Pasadena should establish a written process for staff to monitor and ensure that property owners correct violations, including accurately identifying the properties that have not obtained necessary permits or have not had required reinspections performed.	Pending	City of Pasadena
23. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, San Rafael should establish a process to monitor its ability to meet its established time goals from application date to report issuance, such as developing a reminder report or using an automated feature of its database.	Pending	City of San Rafael
24. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Novato should establish a process to monitor its ability to meet its established time goals from application date to report issuance, such as developing a reminder report or using an automated feature of its database.	Fully Implemented	City of Novato
25. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Pasadena should establish a process to monitor its ability to meet its established time goals from application date to report issuance, such as developing a reminder report or using an automated feature of its database. Pasadena should also document the date the report is issued on the resale record report and in its database.	Pending	City of Pasadena
26. To ensure that it conducts its resale record inspections and completes the reports in a timely manner, San Rafael should review its time goals by July 2016 for the resale record program and modify them if necessary, factoring in property owners' expectations and staff resources to complete the resale record reports. If applicable, San Rafael should update its policies and procedures to reflect the revised time goals.	Pending	City of San Rafael

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
27. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Pasadena should review its time goals by July 2016 for the resale record program and modify them if necessary, factoring in property owners' expectations and staff resources to complete the resale record reports. If applicable, Pasadena should update its policies and procedures to reflect the revised time goals.	Pending	City of Pasadena
28. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Novato should review its time goals by July 2016 and establish an expectation that is significantly shorter than 10 business days for the period from inspection to report issuance and that is commensurate with the effort required to issue the report. Further, it should establish a time goal for the period of application to inspection. If applicable, Novato should update its policies and procedures to reflect the revised time goals.	Fully Implemented	City of Novato
29. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Novato should establish a method to identify those inspections that have inspection dates requested by property owners.	Fully Implemented	City of Novato
30. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Pasadena should establish a method to identify those inspections that have inspection dates requested by property owners.	Pending	City of Pasadena
31. To ensure that the resale record fees it charges is appropriate, San Rafael should conduct a formal fee study by December 2016 that incorporates the actual costs associated with the issuance of a resale record report by dwelling type.	Pending	City of San Rafael
32. To ensure that the resale record fees it charges is appropriate, Pasadena should finalize its formal fee study by April 2016.	Partially Implemented	City of Pasadena
33. To ensure that the resale record fees it charges is appropriate, San Rafael should establish a time frame to periodically determine whether the fees are commensurate with the cost of administering the resale record program. The city should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Pending	City of San Rafael
34. To ensure that the resale record fees it charges is appropriate, Novato should establish a time frame to periodically determine whether the fees are commensurate with the cost of administering the resale record program. The city should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Pending	City of Novato
35. To ensure that the resale record fees it charges is appropriate, Pasadena should establish a time frame to periodically determine whether the fees are commensurate with the cost of administering the resale record program. The city should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Pending	City of Pasadena
36. To ensure that it can demonstrate that its resale record inspectors are qualified, San Rafael should develop a process to maintain continuing education attendance records. The city should ensure that staff receive periodic continuing education through internal and external sources to keep them current on code requirements, especially when the requirements are updated.	Pending	City of San Rafael
37. To ensure that it can demonstrate that its resale record inspectors are qualified, Novato should develop a process to maintain continuing education attendance records. The city should ensure that staff receive periodic continuing education through internal and external sources to keep them current on code requirements, especially when the requirements are updated.	Fully Implemented	City of Novato
38. To ensure that it can demonstrate that its resale record inspectors are qualified, Pasadena should develop a process to maintain continuing education attendance records. The city should ensure that staff receive periodic continuing education through internal and external sources to keep them current on code requirements, especially when the requirements are updated.	Pending	City of Pasadena
39. To ensure that it can demonstrate that its resale record inspectors are qualified, San Rafael should ensure that staff who are required to have certifications continue to maintain them in good standing to perform their necessary job functions.	Pending	City of San Rafael
40. If Pasadena subsequently requires its resale record inspectors to have International Code Council certifications, it should ensure that those staff maintain them in good standing to perform their necessary job functions.	Will Not Implement	City of Pasadena



**Report Number 2015-127**

*Corporate Income Tax Expenditures: The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness (April 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a joint legislative rule requiring specific goals, purposes, and objectives as well as detailed performance indicators for all tax expenditure types, including elections and exemptions.	No Action Taken	Legislature
2. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a joint legislative rule to require sunset dates for all future tax expenditures.	No Action Taken	Legislature
3. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a law requiring a state entity to conduct a comprehensive evaluation of all tax expenditures and develop conclusions and recommendations to continue, modify, or repeal each of them. The state entity should have the necessary resources and a reasonable time frame for analysis.	No Action Taken	Legislature
4. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a joint legislative rule requiring a legislative body to consider the state entity's conclusions to aid it in developing recommendations to continue, modify, or repeal every tax expenditure.	No Action Taken	Legislature
5. To ensure that the research and development (R&D) credit is effectively fulfilling its purpose, the Legislature should consider commissioning a study on the cost-effectiveness of the R&D credit for stimulating additional R&D activity or new jobs within the State, including an impact analysis on how the credit affects the state economy. The study should also define performance metrics for use in subsequent reports.	No Action Taken	Legislature
6. To ensure that the minimum franchise tax exemption is effectively fulfilling its purpose, the Legislature should consider commissioning an evaluation of it to determine if it is effectively encouraging business formation within the State.	No Action Taken	Legislature
7. To improve the effectiveness of the water's edge election, the Legislature should consider modifying it to include tax havens within the water's edge and thus subject to state tax apportionment.	No Action Taken	Legislature
8. To improve the effectiveness of the water's edge election, the Legislature should consider making it mandatory and require all multinational corporations to exclude foreign income, except tax havens, from state tax apportionment.	No Action Taken	Legislature
9. To improve the effectiveness of the low-income housing credit, the Legislature should consider allowing low-income housing developers to sell project credits to investors in a manner that reduces the federal tax implications for investors who claim the credit.	No Action Taken	Legislature
10. If not otherwise addressed by the Legislative Analyst's Office planned report on the film and television credit, the Legislature should commission a study to determine how to limit instances in which the credit benefits projects that would have filmed in the state without it.	No Action Taken	Legislature

**Report Number 2015-132**

*County Pay Practices: Although the Counties We Visited Have Rules in Place to Ensure Fairness, Data Show That a Gender Wage Gap Still Exists (May 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that counties consistently monitor pay disparities between male employees and female employees, and to ensure that counties perform these reviews and publicly report their findings, the Legislature should amend state law to require counties to periodically compare, by specific classification, the differences in total average compensation between male and female employees.	No Action Taken	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that counties consistently monitor pay disparities between male employees and female employees, and to ensure that counties perform these reviews and publicly report their findings, the Legislature should amend state law to require counties to publicly report to local decision makers those classifications for which the differences in total compensation is significant, further indicating which county pay policy or policies contributed to the variance and whether any modifications are needed to reduce the disparity.	No Action Taken	Legislature
3. To ensure that counties consistently monitor pay disparities between male employees and female employees, and to ensure that counties perform these reviews and publicly report their findings, the Legislature should amend state law to require that the California Department of Human Resources ensure that counties perform these periodic gender-based pay equity reviews during its audits of each county's compliance with state-mandated civil service rules.	No Action Taken	Legislature
4. If the Legislature desires that counties be able to demonstrate that their hiring decisions for civil service positions are based on objective and job-related criteria, it should amend the state law to require that each county document the reasons why it chose the selected candidate over others from the certified eligibility list.	No Action Taken	Legislature
5. To ensure that the general public and legislative decision makers have readily available data on male and female employees' compensation, by specific classification and public employer, the Legislature should direct the State Controller's Office to obtain information on the sex of each public employee reported on the Government Compensation in California website.	No Action Taken	Legislature
6. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Pending	County of Fresno
7. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Will Not Implement	Los Angeles County
8. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Pending	Orange County
9. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Fully Implemented	Santa Clara County
10. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Pending	County of Fresno
11. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Fully Implemented	Los Angeles County
12. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Fully Implemented	Orange County
13. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Fully Implemented	Santa Clara County

**Report Number 2015-121**

*California Department of Veterans Affairs: The State Paid Nearly \$28 Million for a Flawed System That Fails to Meet the Needs of Its Veterans Homes (June 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its project management of IT projects promptly identifies potential problems and develops resolutions, by September 2016 CalVet should define the project executive's and project manager's responsibilities to ensure that the individuals who fill those positions take an active role in each project.	Fully Implemented	Department of Veterans Affairs
2. To ensure that it adequately identifies and monitors problems in its future IT projects, by September 2016 CalVet should establish a formal process for its project executive to verify that the project team prepares all of the required project management and other required plans. This formal process should also include a process to periodically verify that the project team is adhering to all these plans.	Fully Implemented	Department of Veterans Affairs
3. To ensure accountability and independence between the provision of IPO and IV&V services on future IT projects, by September 2016 CalVet should establish a policy requiring it to use separate contractors for IPO and IV&V services when IPO services are not provided directly by the Technology Department.	Fully Implemented	Department of Veterans Affairs
4. To ensure that it complies with state contracting laws and can demonstrate the basis for its decisions when awarding contracts, by September 2016 CalVet should establish a process to periodically verify that its staff follow state contracting requirements and maintain all required contract documentation.	Pending	Department of Veterans Affairs
5. To ensure it maintains all documentation related to its IT contracts, CalVet should, by September 2016, establish a process to verify that all divisions comply with its policy requiring each division to submit a records retention schedule to its Office of Procurement and Contracting.	Fully Implemented	Department of Veterans Affairs
6. To ensure that it only accepts deliverables and pays for deliverables that are complete and that meet the contract requirements, by September 2016 CalVet should establish processes to ensure that the project executive verifies that individuals assigned to project roles are adequately qualified and experienced.	Fully Implemented	Department of Veterans Affairs
7. To ensure that it only accepts deliverables and pays for deliverables that are complete and that meet the contract requirements, by September 2016 CalVet should establish processes to verify and maintain documentation of receipt of all contract deliverables before approving payment.	Fully Implemented	Department of Veterans Affairs
8. To ensure that it only accepts deliverables and pays for deliverables that are complete and that meet the contract requirements, by September 2016 CalVet should establish processes to strengthen its contract management on all future projects by requiring the project manager to sign off on invoices along with the contract manager before approving payment.	Pending	Department of Veterans Affairs
9. To ensure that it maximizes its opportunity to successfully implement future IT projects, including its plan to replace its current system, CalVet should, by September 2016, establish a formal process to document the changes it makes as a result of the lessons-learned sessions it conducts.	Fully Implemented	Department of Veterans Affairs
10. To ensure that it maximizes its opportunity to successfully implement future IT projects, including its plan to replace its current system, CalVet should, by September 2016, establish a formal process to verify that its staff conducts lessons-learned sessions for all key phases of the next project.	Fully Implemented	Department of Veterans Affairs
11. To ensure that it maximizes its opportunity to successfully implement future IT projects, including its plan to replace its current system, CalVet should, by September 2016, establish a formal process to incorporate the recommendations identified in its Post Implementation Evaluation Report.	Fully Implemented	Department of Veterans Affairs
12. To ensure that it can demonstrate that it is acting in the best interest of the State, the Technology Department should, by December 2016, create a formal process to summarize its involvement and document key actions taken and decisions reached during agencies' contract disputes and negotiations for the termination of a contract and maintain those documents according to its records retention schedule.	Pending	California Department of Technology

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13. To ensure accountability and independence between the provision of IPO and IV&V services, the Technology Department should, by December 2016, establish a written policy requiring departments that request and receive approval to contract for IPO services to use a different contractor than the one providing IV&V services.	Pending	California Department of Technology
14. Although the Technology Department indicated that its intent is not to outsource its statutory responsibility for IPO, in any instances where its staff conduct a portfolio review of a project's IPO, the Technology Department should, by December 2016, establish a process for its review of documents created by the agency's IPO contractor that includes verifying whether these reports include critical analysis of project progress and vendor performance so it can intervene when necessary.	Pending	California Department of Technology

**Report Number 2015-116***City of Irvine: Poor Governance of the \$1.7 Million Review of the Orange County Great Park Needlessly Compromised the Review's Credibility (August 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that local government audits are conducted with independence and rigor, beginning immediately Irvine should incorporate into its RFPs and contracts the requirement that consultants follow appropriate, sufficient audit standards when performing audit services.	Fully Implemented	City of Irvine
2. To improve fiscal accountability and to ensure that audits are performed to appropriate standards, the city of Irvine (Irvine) should adopt an internal audit function by December 2017.	Will Not Implement	City of Irvine
3. To make certain that it conducts its competitive bidding process in a more transparent and fair manner, Irvine should do the following by December 2016: Require city staff to include in every RFP the specified methodology for selecting contractors and not to deviate from it without adequate notice to potential bidders. Further, Irvine should include this requirement in its contracting manual.	Pending	City of Irvine
4. To make certain that it conducts its competitive bidding process in a more transparent and fair manner, Irvine should examine and update its preferred selection criteria listed in its contracting manual and abide by these criteria when creating RFPs and evaluating bidders by December 2016.	Fully Implemented	City of Irvine
5. To make certain that it conducts its competitive bidding process in a more transparent and fair manner, Irvine should do the following by December 2016: Further clarify the manner in which an interview may factor into the decision regarding awarding a contract. Specifically, Irvine should include in its procedures whether an interview may change scores from an earlier phase of the proposal review process. Additionally, Irvine should include in the published RFP the details of how it will use interviews in its review process.	Pending	City of Irvine
6. To make certain that Irvine complies with the intent of competitive bidding for professional services, beginning immediately it should not include provisions in its RFPs for potential future services that are above and beyond the desired scope of work.	Will Not Implement	City of Irvine
7. To prevent contractors from exceeding their scope of work, Irvine should periodically review ongoing contract invoices and compare billed activities to the contractor's scope of work to be certain that these invoices reflect the work Irvine expects the contractor to perform. Irvine should also ensure that it assigns a staff project manager to projects who can sufficiently and appropriately monitor the contractor's work. In the future, if the council decides to limit or modify the existing authority of city officials relating to contract oversight, it should ensure that its resolutions explicitly delineate the limits or modifications to that authority.	Fully Implemented	City of Irvine
8. To ensure that it receives the services for which it has contracted and to avoid conflicts with its contractors, Irvine should monitor and enforce its contract provisions requiring that work not be performed in advance of the city issuing a signed contract and approved purchase order.	Fully Implemented	City of Irvine
9. To maintain appropriate, transparent fiscal accountability, Irvine should amend city contracting and purchasing policies by December 2016 to make certain that all of its contracts and contract amendments with a proposed cost exceeding the threshold requiring city council or other approval receive the appropriate approvals, including approval for sole-source contracts. Further, city policies should require appropriate approvals when increases in spending authority are accomplished through a purchase order or other means.	Will Not Implement	City of Irvine

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To provide the public with adequate information regarding the city council's spending decisions, Irvine's city council should, by December 2016, include in its policies a requirement that motions by the council to appropriate revenue to fund a specific contract should name the recipients and proposed use of the funds.	Will Not Implement	City of Irvine
11. To foster public confidence in its processes and findings, Irvine should conduct self-initiated investigations, reviews, or audits in an open and transparent manner that ensures independence. Specifically, Irvine should not establish advisory bodies exempt from open meeting laws to oversee these investigations, reviews, or audits. Instead, any required reports from contractors conducting such investigations, reviews, or audits should go to the city council or a standing committee of the city council to be discussed in either open or closed session, as appropriate.	Will Not Implement	City of Irvine
12. To ensure that Irvine follows best practices related to depositions as outlined in state law, the city council should adopt a policy requiring that Irvine post deposition transcripts for the public after the deponents have had adequate opportunity to correct and sign their depositions.	Pending	City of Irvine

**Report Number 2016-106**

*Los Angeles County: Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. By April 2017, Los Angeles County (county) should reach agreement with the association on the date by which the association must pay the county for the rent in arrears related to the hotel.	Pending	Los Angeles County
2. By April 2017, the county should reach agreement with the association on how much rent the association owes the county from the hotel's operations since 1992.	Pending	Los Angeles County
3. As soon as possible, the county should collect from the association all amounts presently owed under the lease as a result of the revenue generated by the conference center.	Pending	Los Angeles County
4. To ensure that it recognizes and addresses in a timely manner areas of potential concern related to the association's rent, the county should create and adhere to a policy of reviewing the association's rent calculations at least every three years.	Pending	Los Angeles County
5. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes a revised rent calculation formula that factors in revenue from all of the association's activities, including its hotel and conference center, as well as revenue from its subsidiaries' activities at the Fairplex. This revised rent calculation formula should require the association either to pay the county an agreed-upon fixed amount, adjusted periodically for inflation, or to pay the county both a fixed amount every year and a percentage of the total gross revenue that the association earns at the Fairplex.	Pending	Los Angeles County
6. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes terms that define the circumstances or dates that require a renegotiation of the lease and the rent calculation formula.	Pending	Los Angeles County
7. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes an agreement on the types of entities whose gross revenues the association must include in rent calculations. This agreement should cover any new businesses the association creates that operate at the Fairplex.	Pending	Los Angeles County
8. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes terms that require the association to provide the county with any subleases it wishes to enter, even those subleases that do not exceed 10 years. The terms should also require the association to provide the county with approval over other agreements that could affect the rent calculation, including the association's hotel management agreement and its amendments.	Pending	Los Angeles County
9. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes terms that require the association to provide the county with advance notice of any refinancing of the association's debt and what impact, if any, such transactions would have on the amount or timing of rent payments to the county.	Pending	Los Angeles County

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**Report Number 2016-110***Trade Apprenticeship Programs: The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better oversee state apprenticeship programs, the Industrial Relations Division of Apprenticeship Standards (apprenticeship division) should resume conducting program audits by December 2016. As part of such audits, the apprenticeship division should ensure that apprenticeship programs receiving grants are appropriately spending the money to train apprentices.	Pending	Department of Industrial Relations
2. The Legislature should amend state law to provide the apprenticeship division with explicit authority to verify that as a condition of receiving future grant funds, apprenticeship programs are using state funds solely for training apprentices. In addition, if an apprenticeship program is unable to demonstrate how state funds are used or if it is found to be using funds for inappropriate purposes, the apprenticeship division should have the authority to deregister that particular program.	Pending	Legislature
3. Until it implements new case management software in April 2017, the apprenticeship division should ensure that consultants perform and track their oversight activities. Furthermore, once the software is implemented, the apprenticeship division should ensure that consultants consistently use the software to document their oversight activities. Finally, the apprenticeship division should improve the usefulness of the site visit reports to provide the findings and an evaluation of each apprenticeship program, and it should periodically verify that consultants are performing their required oversight activities, including attending apprenticeship committee meetings and performing site visits.	Pending	Department of Industrial Relations
8. To ensure that local educational agencies (LEAs) develop sound contract agreements with apprenticeship programs, the Community Colleges Chancellor's Office and the apprenticeship division should develop a model agreement to outline the types of information, roles, and responsibilities for both parties as the Education Code requires and make this model agreement available to K-12 LEAs by April 2017. In addition, this model agreement should specify that K-12 LEAs will verify that the apprentices have attended the instructional courses by collecting supporting documentation such as sign-in sheets or rosters.	Pending	Department of Industrial Relations
9. To ensure the proper oversight of funding for related and supplemental instruction and to clarify the roles of the entities involved in the State's apprenticeship system, the apprenticeship division should work with the Apprenticeship Council to formally approve the common administrative practices document by April 2017 and distribute it to all relevant parties within that system. In addition, to ensure the proper reimbursement of apprenticeship programs, the common administrative practices document should specify that K-12 LEAs take steps to verify that the apprentices actually attended the courses and that the apprenticeship attendance hours reported are for allowable activities only.	Pending	Department of Industrial Relations
11. To ensure that the apprenticeship division is overseeing apprenticeship programs adequately, it should consider periodically checking with U.S. Labor to determine what investigations it has recently conducted on apprenticeship programs. The apprenticeship division could use this information as a basis for conducting its own audit to ensure apprenticeship programs are using state funds appropriately.	Pending	Department of Industrial Relations

**Report Number 2016-111***City of Irwindale: It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To address the structural deficit in its general fund, the city of Irwindale (Irwindale) should seek long-term solutions to balance its budget so that its expenditures do not exceed its revenues. These solutions should include eliminating the reliance on one-time gains to fund ongoing expenses and identifying opportunities to further reduce spending. Irwindale should document its approach in a long-term financial plan that should account for the following: <ul style="list-style-type: none"> <li>• A forecast of at least five to 10 years into the future, updates to long-term planning activities as needed to provide direction to the budget process, and an analysis of its financial status.</li> <li>• Revenue and expenditure forecasts.</li> <li>• A plan-monitoring mechanisms, such as a scorecard of key indicators of financial health.</li> </ul>	Pending	City of Irwindale

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that employee compensation aligns with job statements, Irwindale should review its salary incentives and modify the eligibility criteria so that they match the job requirements.	Pending	City of Irwindale
3. Considering that Irwindale's retirement benefits are more generous than those of most comparable cities, and in light of its financial situation, Irwindale should reduce its employee benefits costs by negotiating with employee bargaining groups and key management employees for the elimination of further city contributions to the Public Agency Retirement Services supplemental benefit plan or at least an increase in participant contributions to cover the full employee share of the plan's costs, recognizing that under California case law Irwindale may not destroy vested pension rights legislatively.	Pending	City of Irwindale
4. To minimize the use of its reserves to reduce long-term liabilities, Irwindale should annually determine whether it has sufficient funding to cash out employee leave balances. Additionally, in future labor negotiations, Irwindale should explore the possibility of eliminating or reducing voluntary leave balance cash-outs by employees, and eliminate sick leave cash-outs altogether.	Pending	City of Irwindale
5. As a prudent financial practice, Irwindale should collect receipts for all reimbursable council expenses and update its expense reimbursement policy to eliminate exceptions to this rule.	Pending	City of Irwindale
6. To reduce costs, Irwindale should consider eliminating its current resident prescription drug benefit program and replacing it with the prescription discount card program offered by the League of California Cities that would provide discounts on prescriptions to residents at no cost to Irwindale.	Pending	City of Irwindale
7. If Irwindale chooses not to participate in the prescription discount card program offered by the League of California Cities, it should at least align its prescription drug benefit program with its established purpose—to treat conditions proven to be caused or worsened by Irwindale's mining activities—and limit the availability of benefits to only those medications approved for the treatment of such conditions.	Pending	City of Irwindale
8. If Irwindale chooses not to participate in the prescription discount card program offered by the League of California Cities, it should at least reduce the cost of its prescription drug benefit program by enacting limits—similar to those in its resident vision benefits—on the number or dollar amount of prescriptions an individual can receive each year.	Pending	City of Irwindale
9. To reduce the costs of its resident prescription drug benefit program, Irwindale City Council should follow the recommendations of its consultant by approving the following: align copayments by increasing those paid by residents 50 years of age and older to the same level as those paid by residents who are 49 years or younger.	Pending	City of Irwindale
10. To reduce the costs of its resident prescription drug benefit program, Irwindale City Council should follow the recommendations of its consultant by approving the following: implement coordination of benefits provisions, where applicable, to designate Irwindale as a secondary payer to residents' primary insurance coverage.	Pending	City of Irwindale
11. To eliminate the need for police officer overtime, Irwindale should evaluate the possibility of contracting for police services with the Los Angeles County Sheriff's Department or another law enforcement agency as an alternative to operating its own police department.	Pending	City of Irwindale
12. While Irwindale is considering recommendation #11, and if it should choose not to contract for police services, it should ensure that its police department is adequately staffed by performing a staffing analysis that includes a determination of the costs and benefits of officer overtime versus hiring additional officers.	Pending	City of Irwindale
13. While Irwindale is considering recommendation #11, and if it should choose not to contract for police services, it should promote public safety and equity among police officers by implementing a rotational order for scheduled overtime to prevent some officers from working excessive shifts.	Pending	City of Irwindale
14. To help ensure that it receives the best value for contracts it exempts from competitive bidding, Irwindale should revise its purchasing policy to require its staff to perform a price analysis and prepare a cost justification form and place the document in each contract file as evidence that the contract price is fair and reasonable.	Pending	City of Irwindale
15. To help ensure that it receives good-quality services, Irwindale should monitor all spending for contracted services. Irwindale should also require its staff to perform post-contract evaluations of professional services contracts, particularly for those continuing services contracts it exempts from competitive bidding.	Pending	City of Irwindale

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. The Irwindale Housing Authority (Housing Authority) should consider options to provide low-income housing opportunities to more people. Additionally, if the Housing Authority intends to continue providing low-income housing opportunities in the future, Irwindale should examine the available funding mechanisms to continue providing low-income housing before it exhausts its Housing Authority Fund balance.	Pending	City of Irwindale
17. To ensure that all residents have an equal chance to participate in the Housing Authority's housing programs, Irwindale should remove the long-term residency priorities from any future housing programs.	Pending	City of Irwindale
18. To help identify and prevent potential fraud, Irwindale should develop and implement a fraud policy, following the guidelines provided by the Association of Certified Fraud Examiners.	Pending	City of Irwindale
19. To ensure that it continues to properly manage its debt, Irwindale should prioritize developing and implementing a debt management policy.	Pending	City of Irwindale



## Senate Budget Subcommittee 5 on Corrections, Public Safety and the Judiciary

Report Number 2014-107

*Judicial Branch of California: Because of Questionable Fiscal and Operational Decisions, the Judicial Council and the Administrative Office of the Courts Have Not Maximized the Funds Available for the Courts (January 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the compensation the Administrative Office of the Courts (AOC) provides is reasonable, the Judicial Council of California (Judicial Council) should adopt procedures that require a regular and thorough review of the AOC's compensation practices including an analysis of the job duties of each position to ensure that the compensation aligns with the requirements of the position. This review should include comparable executive branch salaries, along with a justification when an AOC position is compensated at a higher level than a comparable executive branch position.	Will Not Implement	Judicial Council of California
2. To ensure that its compensation structure is reasonable, the AOC should cease paying employees' share of retirement contributions.	Fully Implemented	Administrative Office of the Courts
3. To ensure that its compensation structure is reasonable, the AOC should mirror the executive branch's practices for offering leave buyback programs in terms of frequency and amount.	Will Not Implement	Administrative Office of the Courts
4. To increase its efficiency and decrease its travel expenses, the AOC should require its directors and managers to work in the same locations as the majority of their staff unless business needs clearly require the staff to work in different locations than their managers.	Will Not Implement	Administrative Office of the Courts
5. To ensure that it pays its employees the appropriate salaries for the locations in which they spend the majority of their work hours, the AOC should follow its policy to periodically verify that salary differentials are based on an employee's actual work location.	Fully Implemented	Administrative Office of the Courts
6. To justify maintaining its headquarters in San Francisco and its additional space in Burbank, the AOC should conduct a thorough cost-benefit analysis of moving its operations to Sacramento. If the analysis determines that the financial benefits of consolidating its operations in Sacramento outweigh the costs of such a move, the AOC should begin the process of relocating to Sacramento.	Fully Implemented	Administrative Office of the Courts
7. To reduce its expenses, the AOC should implement a policy that requires it to conduct a cost-benefit analysis for using temporary workers, contractors, or consultants instead of state employees before employing temporary workers, contractors, or consultants to do the work of AOC employees.	Fully Implemented	Administrative Office of the Courts
8. To reduce its expenses, the AOC should follow its policies and procedures limiting the period of time it can employ temporary workers, and develop a similar policy to limit the use of contractors to a reasonable period of time but no more than one year.	Fully Implemented	Administrative Office of the Courts
9. To reduce its expenses, the AOC should conduct a cost-benefit analysis for maintaining its pool of vehicles. If the analysis finds that the cost of maintaining the vehicles outweighs the costs of having its employees use other means of transportation, such as their personal vehicles, the AOC should reduce the number of vehicles it owns and leases. Also, the AOC should track and periodically inventory the vehicles in its fleet.	Fully Implemented	Administrative Office of the Courts
10. To reduce its expenses, the AOC should cease reimbursing its office directors for parking at their headquarters by adopting the executive branch's parking reimbursement policies.	Fully Implemented	Administrative Office of the Courts
11. To reduce its expenses, the AOC should cease its excessive reimbursements for meals by adopting the executive branch's meal and travel reimbursement policies.	Will Not Implement	Administrative Office of the Courts
12. Once the AOC has identified savings related to its compensation and business practices, the Legislature should consider ways to transfer this savings to the trial courts.	No Action Taken	Legislature
13. To determine the cost to the State of providing support to the trial courts, the Legislature should take steps to clearly define the difference between local assistance expenditures and state operations expenditures. One method of accomplishing this would be to make the necessary statutory changes to classify as local assistance only those appropriations that the AOC passes directly to the trial courts or that the AOC expends on behalf of the trial courts with their explicit authorization. All other appropriations would be classified as state operations.	No Action Taken	Legislature

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14. To ensure that it spends funds appropriately, the AOC should develop and implement controls to govern how its staff can spend judicial branch funds. These controls should include specific definitions of local assistance and support expenditures, written fiscal policies and procedures as the rules of court require, and a review process.	Not Fully Implemented	Administrative Office of the Courts
15. The Judicial Council should develop rules of court that create a separate advisory body, or amend the current advisory committee's responsibilities and composition, that reports directly to the Judicial Council to review the AOC's state operations and local assistance expenditures in detail to ensure they are justified and prudent. This advisory body should be composed of subject matter experts with experience in public and judicial branch finance.	Partially Implemented	Judicial Council of California
16. To bring more transparency to the AOC's spending activities and to ensure that the AOC spends funds in a fiscally and legally prudent manner, the Legislature should require an annual independent financial audit of the AOC. This audit should examine the appropriateness of the AOC's spending of any local assistance funds.	No Action Taken	Legislature
17. To increase transparency, the Judicial Council should conduct a more thorough review of the AOC's implementation of the evaluation committee's recommendations by more closely scrutinizing the actions the AOC asserts it has taken to complete directives.	Fully Implemented	Judicial Council of California
18. To make the AOC's budget more understandable, the Judicial Council should require the AOC to report its budget in a more understandable and transparent manner, and in a manner that readily allows stakeholders and the public to know the full amount of the AOC's spending. Further, the Judicial Council should require the AOC to prepare and make public a high-level summary of how the judicial branch's budget relates to the appropriations from the State's budget.	Fully Implemented	Judicial Council of California
19. The AOC should conduct a comprehensive survey of the courts on a regular schedule—at least every five years—to ensure that the services it provides align with their responses. The AOC should re-evaluate any services that the courts identify as being of limited value or need.	Partially Implemented	Administrative Office of the Courts
20. To justify its budget and staffing levels, the AOC should conduct the steps in CalHR's workforce planning model in the appropriate order. It should begin by establishing its mission and creating a strategic plan based on the needs of the courts. It should then determine the services it should provide to achieve the goals of that plan. The AOC should base its future staffing changes on the foundation CalHR's workforce planning model provides. Finally, the AOC should develop and use performance measures to evaluate the effectiveness of this effort.	Not Fully Implemented	Administrative Office of the Courts
21. To ensure that it provides services to the trial courts as efficiently as possible, the Judicial Council should explore implementing a fee-for-service model for selected services. These services could include those that are little used or of lesser value to the trial courts, as identified in our survey that we discuss in Chapter 3.	Not Fully Implemented	Judicial Council of California
22. To justify the budget and staff level of the AOC, the Judicial Council should implement some or all of the best practices we identified to improve the transparency of AOC spending activities.	Not Fully Implemented	Judicial Council of California

**Report Number 2014-117***California Department of Corrections and Rehabilitation: It Must Improve Legal Compliance and Administrative Oversight of Its Employment of Retired Annuitants and Use of State-Owned Vehicles (March 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it complies with state laws and its policies related to retired annuitants' employment, the California Department of Corrections and Rehabilitation (Corrections) should provide its hiring managers and staff with guidance by June 2015 on including an adequate justification on the hiring form for retired annuitants.	Fully Implemented	Department of Corrections and Rehabilitation
2. To ensure that it complies with state laws and its policies related to retired annuitants' employment, Corrections should provide its hiring managers and staff with guidance by June 2015 on obtaining necessary approvals before retired annuitants begin work.	Fully Implemented	Department of Corrections and Rehabilitation
3. To ensure that it complies with state laws and its policies related to retired annuitants' employment, Corrections should provide its hiring managers and staff with guidance by June 2015 on verifying and maintaining Employment Development forms indicating that retirees have not received unemployment compensation in the 12 months preceding their hire.	Fully Implemented	Department of Corrections and Rehabilitation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To make certain that its employment of returning retired annuitants complies with state laws, by June 2015 Corrections should provide training on what constitutes limited duration and how to appropriately document it.	Fully Implemented	Department of Corrections and Rehabilitation
5. To make certain that its employment of returning retired annuitants complies with state laws, by June 2015 Corrections should develop and implement a policy for reviewing and approving renewal appointments and spreadsheets.	Fully Implemented	Department of Corrections and Rehabilitation
6. To make certain that its employment of returning retired annuitants complies with state laws, by June 2015 Corrections should designate in policy the position responsible for reviewing and approving the renewal appointments.	Fully Implemented	Department of Corrections and Rehabilitation
7. To ensure that retired annuitants do not work beyond their 960-hour limit per fiscal year, by September 2015 Corrections should develop a policy for a monthly management review and approval of retired annuitant attendance records.	Fully Implemented	Department of Corrections and Rehabilitation
8. To ensure that retired annuitants do not work beyond their 960-hour limit per fiscal year, by September 2015 Corrections should review its payroll records from fiscal year 2010–11 to present to identify any retired annuitants who exceeded the 960-hour limit and report these employees to CalPERS.	Fully Implemented	Department of Corrections and Rehabilitation
9. To make sure that permits receive prompt and appropriate approval, by June 2015 Corrections should provide guidance to employees who complete permit requests regarding the documentation they should include when justifying the need for permits.	Fully Implemented	Department of Corrections and Rehabilitation
10. To make sure that permits receive prompt and appropriate approval, by June 2015 Corrections should review the justifications on permit requests to ensure they are appropriate before granting approval.	Fully Implemented	Department of Corrections and Rehabilitation
11. To make sure that permits receive prompt and appropriate approval, by June 2015 Corrections should emphasize among its authorized approvers the importance of approving permit requests before allowing the use of vehicles.	Fully Implemented	Department of Corrections and Rehabilitation
12. To ensure that all employees with assigned vehicles submit the required documents, Corrections should provide training and guidance to staff and supervisors on its policy for monthly reporting of the personal use of vehicles to both its accounting office and the state controller by June 2015.	Fully Implemented	Department of Corrections and Rehabilitation
13. To strengthen its oversight of its employees' use of vehicles, by September 2015 Corrections should provide training to staff and supervisors about the use and accurate completion of travel logs.	Fully Implemented	Department of Corrections and Rehabilitation
14. To strengthen its oversight of its employees' use of vehicles, by September 2015 Corrections should require regular review of the travel logs for pooled vehicles.	Fully Implemented	Department of Corrections and Rehabilitation
15. To strengthen its oversight of its employees' use of vehicles, by September 2015 Corrections should provide training and guidance to staff and supervisors about monthly mileage reporting to General Services and about retention requirements for travel logs.	Fully Implemented	Department of Corrections and Rehabilitation

**Report Number 2015-608**

*High Risk—State Departments Need to Improve Their Workforce and Succession Planning Efforts to Mitigate the Risks of Increasing Retirements (May 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. The California Office of Emergency Services (Cal OES) should develop a process by December 2015 to measure and evaluate its workforce and succession planning activities at least annually, and update its plans as necessary, to ensure that its activities are effective. This process should include evaluating the trends in retirements for leadership and technical positions.	Fully Implemented	Office of Emergency Services
16. Cal OES should develop a process by June 30, 2015, to ensure that the executive membership of its Idea Ambassador Corps remains stable to help ensure that Cal OES can perform consistent monitoring of the results of the workforce and succession planning activities across the department.	Fully Implemented	Office of Emergency Services

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## Report Number 2015-030

## State Bar of California: It Has Not Consistently Protected the Public Through Its Attorney Discipline Process and Lacks Accountability (June 2015)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its backlog does not adversely affect the quality of the discipline it imposes on attorneys who fail to fulfill their professional responsibilities, the State Bar of California (State Bar) should adhere to its quality control processes. Further, it should take steps to prevent its management or staff from circumventing those processes, such as requiring the presentation to the State Bar Board of Trustees (board) of any proposed changes to quality control.	Fully Implemented	State Bar of California
2. To ensure that it consistently counts and reports its backlog of disciplinary cases, the State Bar and the Legislature should work together to determine what cases the State Bar should include in its backlog. For example, one method of calculating the backlog would be to include every case that affects public protection that the State Bar does not resolve within six months from the time it receives a complaint. The Legislature should then amend the state law that currently defines how the State Bar should present the backlog in its discipline report.	Legislation Enacted	Legislature
3. To ensure that it consistently counts and reports its backlog of disciplinary cases, the State Bar and the Legislature should work together to determine what cases the State Bar should include in its backlog. For example, one method of calculating the backlog would be to include every case that affects public protection that the State Bar does not resolve within six months from the time it receives a complaint. Until the Legislature determines what cases the State Bar should include in its backlog, the State Bar should comply with our 2009 recommendation to fully disclose the types of cases it includes and excludes from its backlog calculation, as well as any methodology changes from the prior year.	Fully Implemented	State Bar of California
4. To provide clear and reliable information to the Legislature, the Governor, and the public, the State Bar should define how it calculates case-processing speeds in its discipline report and should report this metric using the same method each year. If the State Bar elects to continue presenting the median case-processing time, it should also present the average case-processing time. Finally, it should fully disclose any methodology changes from the methodology used in the prior year.	Fully Implemented	State Bar of California
5. To assure the Legislature and the public that the data in the State Bar's discipline reports are accurate, the board should implement controls over the accuracy, consistency, and sufficiency of the data gathered and methods used to compute the information included in the report. For example, the board could expand the role of an existing board committee—such as the regulation and discipline committee—to include a review of the discipline report and the underlying discipline statistics	Fully Implemented	State Bar of California
6. To align its staffing with its mission, the State Bar should engage in workforce planning for its discipline system. The workforce planning should include the development and formal adoption of an appropriate backlog goal, an assessment of the staffing needed to achieve that goal while ensuring that the discipline process is not compromised, and the creation of policies and procedures sufficient to provide adequate guidance to the staff of each unit within the discipline system.	Fully Implemented	State Bar of California
7. To ensure that the audit and review unit's random audits of closed case files provide an effective oversight mechanism, the State Bar should follow its policy to conduct and record meetings and trainings related to the audit report's recommendations.	Not Fully Implemented	State Bar of California
8. To ensure that the audit and review unit's random audits of closed case files provide an effective oversight mechanism, the audit and review unit should oversee the retrieval of case files for audit.	Fully Implemented	State Bar of California
9. To ensure that the review function within the audit and review unit continues to provide a means for complainants to appeal the State Bar's decisions on closed cases, the State Bar should implement a policy that prohibits the chief trial counsel from dissolving the review function of the audit and review unit. Alternatively, at a minimum, it should require board approval for such an action.	Fully Implemented	State Bar of California
10. To provide independent oversight of the Office of the Chief Trial Counsel and assurance that it properly closes its case files, the audit and review unit should report to an individual or body that is separate from the chief trial counsel, such as the executive director or the board.	Fully Implemented	State Bar of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure that it spends revenues from the membership fee appropriately, the State Bar needs to implement policies and procedures to restrict its ability to transfer money between funds that its board or state law has designated for specific purposes.	Fully Implemented	State Bar of California
12. To ensure that it can justify future expenditures that exceed a certain dollar level, such as capital or information technology (IT) projects that cost more than \$2 million, the State Bar should implement a policy that requires accurate cost-benefit analyses comparing relevant cost estimates. The policy should include a requirement that the State Bar present the analyses to the board to ensure that it has the information necessary to make appropriate and cost-effective decisions. In addition, the State Bar should be clear about the sources of funds it will use to pay for each project.	Fully Implemented	State Bar of California
13. To justify any future special assessment that the State Bar wants to add to the annual membership fee, the State Bar should first present the Legislature with the planned uses for those funds and cost estimates for the project for which the State Bar intends to use the special assessment.	Fully Implemented	State Bar of California
14. To ensure that it adequately informs the Legislature about the status of the IT projects in its strategic plan, the State Bar should annually update the projects' cost estimates, their respective status, and the funds available for their completion.	Fully Implemented	State Bar of California
15. To ensure that the State Bar's fund balances do not exceed reasonable thresholds, the Legislature should consider putting a restriction in place to limit its fund balances. For example, the Legislature could limit the State Bar's fund balances to the equivalent of two months of the State Bar's average annual expenditures.	No Action Taken	Legislature
16. To provide the State Bar with the opportunity to ensure that its revenues align with its operating costs, the Legislature should consider amending state law to, for example, a biennial approval process for the State Bar's membership fees rather than the current annual process.	No Action Taken	Legislature
17. To determine a reasonable and justified annual membership fee that better reflects its actual costs, the State Bar should conduct a thorough analysis of its operating costs and develop a biennial spending plan. It should work with the Legislature to set an appropriate annual membership fee based upon its analysis. The first biennial spending plan should also include an analysis of the State Bar's plans to spend its current fund balances.	Resolved	State Bar of California

**Report Number 2015-504**

*Follow-Up—California Department of Justice: Delays in Fully Implementing Recommendations Prevent It From Accurately and Promptly Identifying All Armed Persons With Mental Illness, Resulting in Continued Risk to Public Safety (July 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the California Department of Justice (Justice) fairly balances competing responsibilities and avoids redirecting Armed Prohibited Persons System (APPS) unit staff to conduct Dealers' Record of Sale background checks, the Legislature should require Justice to complete an initial review of cases in the daily queue within seven days and periodically reassess whether Justice can complete these reviews more quickly.	Legislation Enacted	Legislature
2. To ensure that it accurately identifies all prohibited persons, Justice should implement its plan to develop a checklist by July 2015 and desk procedures by September 2015 to aid its analysts in making correct prohibition determinations.	Fully Implemented	Department of Justice
3. To ensure staff can promptly address the daily queue and the historical backlog, by July 2016 Justice should identify and implement strategies, including pursuing funding, to staff its bureau operations to the level it needs.	Fully Implemented	Department of Justice
4. To fully implement our previous recommendation and ensure that it keeps an updated accurate list of all mental health facilities, by July 2015 Justice should implement supervisory review of its analyst's comparison of Justice's mental health facilities list and the Department of Health Care Services' list to ensure staff identified and corrected all discrepancies.	Fully Implemented	Department of Justice
5. To fully implement our previous recommendation and ensure that it investigates all significant drops in mental health facility reporting, Justice should revise its procedure to consider drops between each quarter.	Fully Implemented	Department of Justice

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**Report Number I2015-1**

*Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and California Correctional Health Care Services (Correctional Health Care) should reduce the accumulated leave balances of Employee A by 886 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Partially Implemented	Department of Corrections and Rehabilitation
13. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should work with the California Public Employees' Retirement System and attempt to recoup the \$22,766 in CTO leave hours Employee B—who retired in April 2015—cashed out but to which he was not entitled.	Partially Implemented	Department of Corrections and Rehabilitation
15. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should reduce the accumulated leave balances of Employee C by 261 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Resolved	Department of Corrections and Rehabilitation
17. Corrections and Correctional Health Care should develop a policy requiring all labor relations analysts, including the labor relations analyst at Prison 1, to document any communications from the Office of Labor Relations at Corrections that affect employee compensation.	Fully Implemented	Department of Corrections and Rehabilitation
19. Corrections and Correctional Health Care should run a query of exempt positions related to the chief psychologist classification, such as clinical psychologists and senior psychologists, to determine whether any other exempt employees were improperly credited or paid for on-call or call-back assignments prior to December 2014, and seek recovery through reducing those employees' accumulated leave balances.	Partially Implemented	Department of Corrections and Rehabilitation

**Report Number 2015-302**

*Judicial Branch Procurement: Although the Judicial Council Needs to Strengthen Controls Over Its Information Systems, Its Procurement Practices Generally Comply With Applicable Requirements (December 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The Judicial Council should update its judicial contracting manual to include the required minimum fuel economy standards for the judicial branch's vehicle purchases.	Fully Implemented	Judicial Council of California
2. The Judicial Council should develop a corrective action plan by February 29, 2016 to address the recommendation from our December 2013 audit report related to the controls over its information systems. The corrective action plan should include prioritizing the tasks, resources, primary and alternative funding sources, and milestones for all of the actions required to fully implement its framework of information system controls by June 2016. Further, the Judicial Council should continue to provide guidance and routinely follow up with the superior courts to assist with their effort to make the necessary improvements to their information system controls.	Pending	Judicial Council of California

**Report Number 2015-115**

*Dually Involved Youth: The State Cannot Determine the Effectiveness of Efforts to Serve Youth Who Are Involved in Both the Child Welfare and Juvenile Justice Systems (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that county child welfare service (CWS) and probation agencies are able to identify their populations of dually involved youth, the Legislature should require Social Services to implement a function within the statewide case management system that will enable county CWS and probation agencies to identify dually involved youth.	Legislation Enacted	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that county CWS and probation agencies are able to identify their populations of dually involved youth, the Legislature should require Social Services to issue guidance to the counties on how to use the statewide case management system to track joint assessment hearing information completely and consistently for these youth.	Legislation Enacted	Legislature
3. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to develop a common identifier counties can use to reconcile data across CWS and probation data systems statewide.	Legislation Enacted	Legislature
4. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to develop standardized definitions for terms related to the populations of youth involved in both the CWS and probation systems, such as dually involved, crossover, and dual status youth.	Legislation Enacted	Legislature
5. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to identify and define outcomes for counties to track for dually involved youth, such as outcomes related to recidivism and education.	Legislation Enacted	Legislature
6. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to establish baselines and goals for those outcomes.	Legislation Enacted	Legislature
7. To better understand and serve the dually involved youth population, the Legislature should require the Judicial Council to work with county CWS and probation agencies and state representatives to establish a committee, or to work with an existing committee, to share the common identifier, definitions, and outcomes with the Legislature, for their consideration to require counties to utilize and track these elements.	Legislation Enacted	Legislature
8. If the State enacts data-related requirements, it should require the Judicial Council's committee to compile and publish county data two years after the start of county data collection requirements.	Legislation Enacted	Legislature
9. Alameda County probation department should update its existing procedures to ensure that its staff are accurately recording family reunification service components within the statewide case management system.	Will Not Implement	Alameda County
10. Sacramento County probation department should update its existing procedures to ensure that its staff are accurately recording family reunification service components within the statewide case management system.	Pending	Sacramento County
11. To identify their population of dually involved youth, Alameda County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Will Not Implement	Alameda County
12. To identify their population of dually involved youth, Kern County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Fully Implemented	Kern County
13. To identify their population of dually involved youth, Los Angeles County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Fully Implemented	Los Angeles County
14. To identify their population of dually involved youth, Riverside County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Pending	County of Riverside
15. To identify their population of dually involved youth, Sacramento County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	Pending	Sacramento County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. To identify their population of dually involved youth, Santa Clara County's CWS and probation agencies should designate the data system they will use for tracking the dates and results of joint assessment hearings.	No Action Taken	Santa Clara County
17. To identify their population of dually involved youth, Alameda County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Will Not Implement	Alameda County
18. To identify their population of dually involved youth, Kern County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Fully Implemented	Kern County
19. To identify their population of dually involved youth, Los Angeles County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Pending	Los Angeles County
20. To identify their population of dually involved youth, Riverside County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Fully Implemented	County of Riverside
21. To identify their population of dually involved youth, Sacramento County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	Pending	Sacramento County
22. To identify their population of dually involved youth, Santa Clara County's CWS and probation agencies should provide guidance or training to staff on recording joint assessment hearing information consistently within the designated system.	No Action Taken	Santa Clara County

**Report Number 2015-047***The State Bar of California: Its Lack of Transparency Has Undermined Its Communications With Decision Makers and Stakeholders (May 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To reduce the length of time that victims of dishonest lawyers must wait for reimbursement from the Client Security Fund, the State Bar should continue to explore fund transfers, member fee increases, and operating efficiencies that would increase resources available for payouts.	Pending	State Bar of California
2. To ensure that it maximizes its cost-recovery efforts related to the Client Security Fund, the State Bar should adopt a policy to file for money judgments against disciplined attorneys for all eligible amounts as soon as possible after courts settle the discipline cases.	Pending	State Bar of California
3. To ensure that it maximizes its cost-recovery efforts related to the Client Security Fund, the State Bar should adopt a policy to evaluate annually the effectiveness of the various collection methods it uses to recover funds from disciplined attorneys.	Pending	State Bar of California
4. To reduce the risk of errors in financial reporting, the State Bar should update its procedures to include guidance on detailed steps that staff should take to prepare financial statements and to ensure that the statements are accurate and complete.	Fully Implemented	State Bar of California
5. To reduce the risk of errors in financial reporting, the State Bar should update its procedures on management's review and approval of financial statements.	Fully Implemented	State Bar of California
6. To increase the transparency and comparability of its financial information, the State Bar should limit significant changes in its indirect cost reporting.	Fully Implemented	State Bar of California
7. To increase the transparency and comparability of its financial information, the State Bar should clearly disclose any changes in its accounting practices.	Fully Implemented	State Bar of California
8. To increase the transparency and comparability of its financial information, the State Bar should disclose the reasons for any significant changes to program costs.	Partially Implemented	State Bar of California
9. To ensure that it accounts appropriately for information technology project costs and their related funding sources, the State Bar should develop a reasonable method for allocating information technology project costs.	Pending	State Bar of California
10. To ensure that it accounts appropriately for information technology project costs and their related funding sources, the State Bar should apply its new cost-allocation method to the costs of its Technology Improvement Fund.	Pending	State Bar of California



RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure it informs stakeholders of conditions that may affect its policy and programmatic decisions, the State Bar should document the assumptions and methodology underlying its budget estimates.	Pending	State Bar of California
12. To ensure it informs stakeholders of conditions that may affect its policy and programmatic decisions, the State Bar should concisely present its budget assumptions and methodology in the final budget document it provides to its board and the Legislature.	Pending	State Bar of California
13. To make certain that its budget documents conform to the requirements in state law and that they are comparable to prior budgets, the State Bar should establish a process for ensuring that budget documents conform to the requirements in state law.	Fully Implemented	State Bar of California
14. To make certain that its budget documents conform to the requirements in state law and that they are comparable to prior budgets, the State Bar should update its budget policies to require supplementary schedules and narratives for any budget in the year in which the State Bar implements changes to the presentation of its budget.	Fully Implemented	State Bar of California
15. To ensure that the State Bar's board can make informed decisions about its consultant's recommendations regarding budgeting and financial reporting, the State Bar should analyze the costs and benefits of implementing its consultant's recommendations about budgets and present this analysis to its board for consideration.	Fully Implemented	State Bar of California
16. To make certain that the Legislature is not limited in its ability to set member fees, the Legislature should require the State Bar to notify or seek its approval when the State Bar plans to pledge its member fee revenue for a period that exceeds 12 months or overlaps fiscal years.	No Action Taken	Legislature
17. To ensure that it retains appropriate supervision and control over the State Bar's financial affairs, the board should establish a policy that includes a description of the parameters for the creation of nonprofit organizations limiting such organizations to the purposes consistent with the law and the State Bar's mission.	Pending	State Bar of California
18. To ensure that it retains appropriate supervision and control over the State Bar's financial affairs, the board should establish a policy that includes a description of the board's oversight role in relation to the State Bar's nonprofit organizations.	Pending	State Bar of California
19. To ensure that it retains appropriate supervision and control over the State Bar's financial affairs, the board should establish a policy that includes requirements to make sure that the board reviews and approves all documents the State Bar uses in the creation and use of a nonprofit organization, including original and amended bylaws as well as agreements between the State Bar and the organization.	Pending	State Bar of California
20. To ensure that it retains appropriate supervision and control over the State Bar's financial affairs, the board should establish a policy that includes requirements ensuring that the board reviews, approves, and monitors regularly the budgets and other financial reports of any nonprofit organizations.	Pending	State Bar of California
21. To ensure that it retains appropriate supervision and control over the State Bar's financial affairs, the board should establish a policy that includes requirements that the State Bar develop policies and procedures to prevent the mingling of its funds and any nonprofit organization's funds.	Pending	State Bar of California
22. To improve its oversight of the State Bar's financial affairs, the Legislature should require the State Bar to disclose the creation of and use of nonprofit organizations, including the nonprofits' annual budgets and reports on their financial condition explaining the sources and uses of the nonprofits' funding.	No Action Taken	Legislature
23. To ensure that the compensation it provides its executives is reasonable, the State Bar should include in the comprehensive salary and benefits study that it plans to complete by October 2016 data for the salaries and benefits for comparable positions in the state government's executive branch.	Fully Implemented	State Bar of California
24. To ensure that the compensation it provides its executives is reasonable, the State Bar should revise its policy for housing allowances and relocation expenses to align with the requirements in the state law that are applicable to managerial employees.	Pending	State Bar of California

## Report Number 2015-129

*King City Police Department: Strengthening Management Practices Would Help Its Efforts to Prevent Officer Misconduct and to Regain the Public's Trust (July 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To provide for a more comprehensive review of complaints and to ensure that the public is aware of the King City Police Department's (Department) willingness to receive complaints in an open manner, the Department should update its complaint policy by December 2016 to require the chief to review all supervisor decisions related to personnel complaints.	Pending	King City
2. To provide for a more comprehensive review of complaints and to ensure that the public is aware of the Department's willingness to receive complaints in an open manner, the Department should modify its website by December 2016 to state explicitly its openness to accepting all complaints, and inform members of the public that complaint forms may be filed at city hall, through its website, or during its community presentations. Similarly, the Department should more prominently display complaint option information in its lobby.	Pending	King City
3. To provide for a more comprehensive review of complaints and to ensure that the public is aware of the Department's willingness to receive complaints in an open manner, the Department should perform outreach by December 2016, such as through informal surveys, to identify potentially unreported complaints.	Pending	King City
4. To provide for a more comprehensive review of complaints and to ensure that the public is aware of the Department's willingness to receive complaints in an open manner, the Department should reach out to community organizations by December 2016 to connect with members of the community who may have complaints.	Fully Implemented	King City
5. The city should consider whether to establish a community advisory group, ombudsman position, or city council committee as an additional resource for receiving complaints.	Pending	King City
6. To better manage its operations related to issuing traffic citations, the Department should implement a process by March 2017 to verify quarterly the accuracy and completeness of the data in its records management system.	Pending	King City
7. To better manage its operations related to issuing traffic citations, the Department should develop a process by March 2017 to conduct a quarterly review of its traffic citation statistics and follow up with its officers as needed to ensure a consistent enforcement strategy.	Pending	King City
8. To hold its officers accountable, the Department should implement a policy by September 2016 to document the patrol directives, such as citation and enforcement strategies, that it provides to officers.	Fully Implemented	King City
9. To ensure that its policies are consistent with the city council's directives and that it can hold its officers accountable for them, the Department should immediately update its towing policy to reflect the March 2014 city council resolution that officers not tow for minor traffic offenses if the vehicle is legally parked, registered, and insured; that officers must receive sergeant authorization for all tows; and that the Department provide monthly tow reports to the city manager. The Department should also specify in its policy that officers must receive two trainings each year on the updated towing policy.	Fully Implemented	King City
10. To address community and city management concerns about its towing of vehicles, the Department should provide additional information in its monthly towing report by December 2016 about the reason that a vehicle was stopped and the reason the Department needed to tow the vehicle.	Fully Implemented	King City
11. To address community and city management concerns about its towing of vehicles, the Department should implement a process by December 2016 for the chief to review the monthly tow reports and follow up on any cases related to unlicensed drivers to determine if the reasons for the tows comply with the directives from city council.	Fully Implemented	King City
12. To ensure that gasoline cards are used consistently and appropriately, the Department should develop a formal process by December 2016 for monitoring gasoline invoices and transactions. The Department should implement a policy that includes a requirement for gasoline cards to be issued to patrol vehicles as a means to track gasoline usage against vehicle mileage. The requirement should also include a description of how the Department will identify the officer responsible for each gasoline card purchase, either by assigning a unique identifier to each officer or by using a vehicle assignment log.	Fully Implemented	King City

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13. To ensure that gasoline cards are used consistently and appropriately, the Department should develop a formal process by December 2016 for monitoring gasoline invoices and transactions. The Department should implement a policy that includes procedures for obtaining explanations for any gasoline purchase that appears out of the ordinary.	Pending	King City
14. To ensure that it is appropriately maintaining custody of evidence items and complying with Peace Officer Standards and Training (POST) recommendations, the Department should conduct a comprehensive inventory to develop an accurate list of evidence and property.	Pending	King City
15. To ensure that it is appropriately maintaining custody of evidence items and complying with POST recommendations, the Department should update by September 2016 its evidence oversight policies to provide explicit direction, based on POST guidelines, to staff and management who perform evidence oversight activities.	Pending	King City
16. To ensure that it is appropriately maintaining custody of evidence items and complying with POST recommendations, the Department should perform its monthly evidence inspections per its policy.	Fully Implemented	King City
17. To ensure that it is appropriately maintaining custody of evidence items and complying with POST recommendations, the Department should develop a process by September 2016 for the chief to review compliance with the monthly inspection requirement.	Pending	King City
18. To ensure that it is appropriately maintaining custody of evidence items and complying with POST recommendations, the Department should perform annual audits that are thorough and well documented.	Pending	King City
19. To ensure that it uses consistent standards to evaluate whether information found in assessments of an officer candidate's moral character could lead to conflicts of interest, the city council should establish screening criteria for the types of activities and circumstances it considers to be incompatible with the official duties of an officer, such as in the areas of an officer candidate's past drug use, amount of debt, and number of traffic citations received.	Fully Implemented	King City
20. To minimize the potential for conflicts of interest, the Department should develop a written policy by September 2016 that formalizes its practice of preventing officers from being involved in cases associated with their family members.	Fully Implemented	King City
21. To comply with state regulations, to better assess candidates' ability to interact effectively with the community and other officers, and to ensure consistency, the Department should by September 2016 document its interview questions, including at least one question from each of the six areas in the POST interview guidelines.	Pending	King City
22. To work more effectively with community members, the Department should solicit and incorporate feedback from the community and create a formal community engagement plan that is tailored to meet community needs by December 2016.	Partially Implemented	King City
23. To work more effectively with community members, the Department should implement a process by September 2016 for the chief to review all promotional materials and presentations and ensure they are communicated in both English and Spanish, where appropriate, according to the direction provided by the city manager.	Fully Implemented	King City
24. To provide feedback and information to the Department, the city council should consider the formation of a community advisory group.	Pending	King City
25. To ensure that its policy is being implemented correctly and to prevent further inappropriate reimbursements, the city should monitor at least semiannually the implementation of its new policy on expense approvals that it adopted in February 2016.	Pending	King City
26. To ensure that the Department appropriately budgets for planned expenses, the city should continue to monitor its new policy on budget development that it adopted in January 2016. Specifically, the chief should monitor the budgeted and actual expenses of the Department each month, paying close attention to any areas where those expenses vary significantly from the amount budgeted, and discuss this analysis with the city manager each quarter to identify any weaknesses in its budget process.	Pending	King City

## Report Number 2015-130

*The CalGang Criminal Intelligence System: As the Result of Its Weak Oversight Structure, It Contains Questionable Information That May Violate Individuals' Privacy Rights (August 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that CalGang, or any equivalent statewide shared gang database, has an oversight structure that supports accountability for proper database use and for protecting individuals' rights, the Legislature should designate Justice as the state agency responsible for administering and overseeing CalGang or any equivalent statewide shared gang database.	No Action Taken	Legislature
2. To ensure that CalGang, or any equivalent statewide shared gang database, has an oversight structure that supports accountability for proper database use and for protecting individuals' rights, the Legislature should require that CalGang or any equivalent statewide shared gang database adhere to federal regulations and relevant safeguards from the state guidelines, including supervisory reviews of database entries and regular reviews of all records.	Legislation Enacted	Legislature
3. To ensure that CalGang, or any equivalent statewide shared gang database, has an oversight structure that supports accountability for proper database use and for protecting individuals' rights, the Legislature should specify that Justice's oversight responsibilities include developing and implementing standardized periodic training as well as conducting—or hiring an external entity to conduct— periodic audits of CalGang or any equivalent statewide shared gang database.	No Action Taken	Legislature
4. To promote public participation in key issues that may affect California's citizens and to help ensure consistency in the use of any shared gang database, the Legislature should require Justice to interpret and implement shared gang database requirements through the regulatory process. This process should include public hearings and should address adopting requirements for entering and reviewing gang designations, including establishing a retention period for gangs.	No Action Taken	Legislature
5. To promote public participation in key issues that may affect California's citizens and to help ensure consistency in the use of any shared gang database, the Legislature should require Justice to interpret and implement shared gang database requirements through the regulatory process. This process should include public hearings and should address adopting criteria for identifying gang members. These criteria should define which offenses are consistent with gang activity.	No Action Taken	Legislature
6. To promote public participation in key issues that may affect California's citizens and to help ensure consistency in the use of any shared gang database, the Legislature should require Justice to interpret and implement shared gang database requirements through the regulatory process. This process should include public hearings and should address specifying how user agencies will operate any statewide shared gang database, including requiring user agencies to implement supervisory review procedures and periodic record reviews. The user agencies should report the results of the reviews to Justice.	No Action Taken	Legislature
7. To promote public participation in key issues that may affect California's citizens and to help ensure consistency in the use of any shared gang database, the Legislature should require Justice to interpret and implement shared gang database requirements through the regulatory process. This process should include public hearings and should address standardizing practices for user agencies to adhere to the State's juvenile notification requirements, including guidelines for documenting and communicating the bases for juveniles' gang designations.	No Action Taken	Legislature
8. To ensure transparency, the Legislature should require Justice to publish an annual report with key shared gang database statistics—such as the number of individuals added to and removed from the database—and summary results from periodic audits conducted by Justice or an external entity. Further, the Legislature should require Justice to invite and assess public comments following the report's release. Subsequent annual reports should summarize any public comments Justice received and actions it took in response.	No Action Taken	Legislature
9. To help ensure that Justice has the technical information it needs to make certain that CalGang or any equivalent shared gang database remains an important law enforcement tool, the Legislature should establish a technical advisory committee to advise Justice about database use, database needs, database protection, and any necessary updates to policies and procedures. The Legislature should specify the qualifications for membership in the technical advisory committee, which should include representatives from local and state agencies that use the shared gang database. Further, it should require that the committee meet at least twice a year and adhere to the Bagley-Keene Open Meeting Act and other relevant open-meeting laws.	No Action Taken	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>10. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to, developing best practices based on the requirements stated in the federal regulations, the state guidelines and state law, and advising user agencies on the implementation of those practices. The best practices should include, but not be limited to reviewing criminal intelligence, appropriately disseminating information, performing robust audit practices, establishing plans to recover from disasters, and meeting all of the State's juvenile notification law requirements. Justice should guide the board and the committee to develop these best practices by June 30, 2017.</p>	Pending	Department of Justice
<p>11. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to instructing user agencies that use CalGang to complete a comprehensive review of all the gangs documented in CalGang to determine if they meet the necessary requirements for inclusion and to purge from CalGang any groups that do not meet the requirements. Justice should guide the board and the committee to ensure that user agencies complete this review in phases, with the final phase to be completed by June 30, 2018.</p>	Pending	Department of Justice
<p>12. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to, instructing all user agencies to complete a comprehensive review of the records in CalGang to determine if the user agencies have adequate support for the criteria associated with all the individuals they have entered as gang members. If the user agencies do not have adequate support, they should immediately purge the criteria—and, if necessary, the individuals—from CalGang. In addition, the user agencies should ensure that all the fields in each CalGang record are accurate. Justice should guide the board and the committee to ensure that user agencies complete this review in phases, with the final phase to be completed by September 30, 2019.</p>	Pending	Department of Justice
<p>13. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to, instructing all user agencies to report to Justice every six months, beginning in January 2017, on their progress toward completing their gang and gang member reviews.</p>	Pending	Department of Justice
<p>14. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to, developing standardized periodic training content for all CalGang users and training instructors. Justice should guide the board and the committee to develop such standardized training content by June 30, 2017.</p>	Pending	Department of Justice
<p>15. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to, establishing a plan to recertify all CalGang users and training instructors on the new training content. Justice should guide the board and the committee to complete the draft plan by June 30, 2017, and the recertification training by June 30, 2018.</p>	Pending	Department of Justice
<p>16. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to, developing policies and procedures requiring the disabling of user accounts for all individuals who no longer have a need to or right to access CalGang because they have separated from their employment with user agencies or for other reasons. Justice should guide the board and the committee to identify and disable all such accounts by September 30, 2016.</p>	Pending	Department of Justice

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17. As the Legislature considers creating a public program for shared gang database oversight and accountability, Justice should guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight. The guidance Justice provides to the board and the committee should address, but not be limited to, determining what steps must be taken to upgrade CalGang's controls to ensure that CalGang will automatically purge all individuals whose records have not been updated by user agencies for five years.	Pending	Department of Justice
18. To promote transparency and hold the board, the committee, and user agencies accountable for implementing and adhering to criminal intelligence safeguards, Justice should post quarterly reports on its website, beginning June 30, 2017, that summarize how it has guided the board and the committee to implement and adhere to criminal intelligence safeguards; the progress the board, the committee, and the user agencies have made in implementing and adhering to these safeguards; the steps these entities still must take to implement these safeguards; and any barriers to the board's and the committee's success in achieving these goals.	Pending	Department of Justice
19. To promote transparency and encourage public participation in CalGang's meetings, Justice should post summary results from the committee's audits of CalGang records to its website unless doing so would compromise criminal intelligence information or other information that must be shielded from public release.	Pending	Department of Justice
20. To promote transparency and encourage public participation in CalGang's meetings, Justice should post the agendas, minutes, and referenced attachments for all future board and committee meetings, as well as all other documents of significance such as letters, memos, or agreements to its website unless doing so would compromise criminal intelligence information or other information that must be shielded from public release.	Pending	Department of Justice
21. To promote transparency and encourage public participation in CalGang's meetings, Justice should post from the past five years, all available agendas, minutes, and referenced attachments from scheduled and ad hoc board and committee meetings, as well as all other documents of significance. Justice should post these materials by October 31, 2016, to its website unless doing so would compromise criminal intelligence information or other information that must be shielded from public release.	Pending	Department of Justice
22. If Justice believes it needs additional resources to guide the board and the committee to identify and address the shortcomings that exist in CalGang's current operations and oversight, to report on the board and committee's progress in addressing CalGang's shortcomings, and to post necessary information to its website, Justice should take steps to secure the resources it needs.	Pending	Department of Justice
23. Until the Los Angeles Police Department receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by reviewing the gangs it has entered into CalGang to ensure the gangs meet reasonable suspicion requirements. It should also begin reviewing the gang members it has entered into CalGang to ensure the existence of proper support for each criterion. It should purge from CalGang any records for gangs or gang members that do not meet the criteria for entry. Individuals who are independent from the ongoing administration and use of CalGang should lead this review. The agency should complete the gang and gang member reviews in phases, with the final phase for gangs to be completed by June 30, 2018, and the final phase for gang members to be completed by June 30, 2019.	Pending	Los Angeles Police Department
24. Until Los Angeles Police Department receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by developing or modifying as necessary all its policies and procedures related to CalGang to ensure they align with state law, CalGang policy, the federal regulations, and the state guidelines. In particular, the agency should implement appropriate policies and procedures for entering gangs; performing supervisory reviews of gang and gang member entries; performing periodic CalGang record reviews; sharing CalGang information; and complying with juvenile notification requirements. The agency should complete this recommendation by March 31, 2017.	Pending	Los Angeles Police Department

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>25. Until Santa Ana Police Department receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by reviewing the gangs it has entered into CalGang to ensure the gangs meet reasonable suspicion requirements. It should also begin reviewing the gang members it has entered into CalGang to ensure the existence of proper support for each criterion. It should purge from CalGang any records for gangs or gang members that do not meet the criteria for entry. Individuals who are independent from the ongoing administration and use of CalGang should lead this review. The agency should complete the gang and gang member reviews in phases, with the final phase for gangs to be completed by June 30, 2018, and the final phase for gang members to be completed by June 30, 2019.</p>	Pending	Santa Ana Police Department
<p>26. Until Santa Ana Police Department receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by developing or modifying as necessary all its policies and procedures related to CalGang to ensure they align with state law, CalGang policy, the federal regulations, and the state guidelines. In particular, the agency should implement appropriate policies and procedures for entering gangs; performing supervisory reviews of gang and gang member entries; performing periodic CalGang record reviews; sharing CalGang information; and complying with juvenile notification requirements. The agency should complete this recommendation by March 31, 2017.</p>	Pending	Santa Ana Police Department
<p>27. Until Santa Clara County Sheriff's Office receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by reviewing the gangs it has entered into CalGang to ensure the gangs meet reasonable suspicion requirements. It should also begin reviewing the gang members it has entered into CalGang to ensure the existence of proper support for each criterion. It should purge from CalGang any records for gangs or gang members that do not meet the criteria for entry. Individuals who are independent from the ongoing administration and use of CalGang should lead this review. The agency should complete the gang and gang member reviews in phases, with the final phase for gangs to be completed by June 30, 2018, and the final phase for gang members to be completed by June 30, 2019.</p>	Pending	Santa Clara County Sheriff's Office
<p>28. Until Santa Clara County Sheriff's Office receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by developing or modifying as necessary all its policies and procedures related to CalGang to ensure they align with state law, CalGang policy, the federal regulations, and the state guidelines. In particular, the agency should implement appropriate policies and procedures for entering gangs; performing supervisory reviews of gang and gang member entries; performing periodic CalGang record reviews; sharing CalGang information; and complying with juvenile notification requirements. The agency should complete this recommendation by March 31, 2017.</p>	Pending	Santa Clara County Sheriff's Office
<p>29. Until Sonoma County Sheriff's Office receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by reviewing the gangs it has entered into CalGang to ensure the gangs meet reasonable suspicion requirements. It should also begin reviewing the gang members it has entered into CalGang to ensure the existence of proper support for each criterion. It should purge from CalGang any records for gangs or gang members that do not meet the criteria for entry. Individuals who are independent from the ongoing administration and use of CalGang should lead this review. The agency should complete the gang and gang member reviews in phases, with the final phase for gangs to be completed by June 30, 2018, and the final phase for gang members to be completed by June 30, 2019.</p>	Pending	Sonoma County Sheriff's Office
<p>30. Until Sonoma County Sheriff's Office receives further direction from the board, the committee, or Justice, it should address the specific deficiencies we found by developing or modifying as necessary all its policies and procedures related to CalGang to ensure they align with state law, CalGang policy, the federal regulations, and the state guidelines. In particular, the agency should implement appropriate policies and procedures for entering gangs; performing supervisory reviews of gang and gang member entries; performing periodic CalGang record reviews; sharing CalGang information; and complying with juvenile notification requirements. The agency should complete this recommendation by March 31, 2017.</p>	Pending	Sonoma County Sheriff's Office

**Report Number 2016-301**

*Judicial Branch Procurement: The Five Superior Courts We Reviewed Mostly Adhered to Required and Recommended Practices, but Some Improvements Are Needed (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The San Joaquin court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the San Joaquin court should follow the recommended process for applicable noncompetitive procurements to ensure that vendors' prices are fair and reasonable.	Pending	Superior Court of California, County of San Joaquin
2. The San Mateo court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the San Mateo court should follow the recommended process for applicable noncompetitive procurements to ensure that vendors' prices are fair and reasonable.	Pending	Superior Court of California, County of San Mateo
3. The Tehama court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the Tehama court should follow the recommended process for applicable noncompetitive procurements to ensure that vendors' prices are fair and reasonable.	Pending	Superior Court of California, County of Tehama
4. The San Joaquin court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the San Joaquin court should follow the judicial contracting manual's recommendations for procurement processes, and it should provide and consistently retain in contract files its justifications for entering into contracts that it has not competitively bid.	Pending	Superior Court of California, County of San Joaquin
5. The San Mateo court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the San Mateo court should follow the judicial contracting manual's recommendations for procurement processes, and it should provide and consistently retain in contract files its justifications for entering into contracts that it has not competitively bid.	Pending	Superior Court of California, County of San Mateo
6. The Tehama court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the Tehama court should follow the judicial contracting manual's recommendations for procurement processes, and it should provide and consistently retain in contract files its justifications for entering into contracts that it has not competitively bid.	Pending	Superior Court of California, County of Tehama
7. The San Joaquin court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the San Joaquin court should ensure that contracts include all required elements and are properly approved.	Pending	Superior Court of California, County of San Joaquin
8. The Tehama court should follow the requirements and recommended practices of the Judicial Council and the State to ensure that it obtains the best value for the goods and services it purchases through contracts. Specifically, the Tehama court should ensure that contracts include all required elements and are properly approved.	Pending	Superior Court of California, County of Tehama
9. To ensure that it properly authorize payments and purchases only allowable items, the San Joaquin court should process payments in accordance with the requirements and recommended practices of the Judicial Council and the State. Specifically, the San Joaquin court should implement a process to ensure that its staff adheres to the requirements within its policy when exceeding the \$1,500 per transaction limit for purchase cards as established in the judicial contracting manual.	Pending	Superior Court of California, County of San Joaquin
10. To ensure that it properly authorize payments and purchases only allowable items, the San Joaquin court should process payments in accordance with the requirements and recommended practices of the Judicial Council and the State. Specifically, the San Joaquin court should make sure that it is receiving the goods and services it ordered. It should also pay vendors only after verifying receipt of the goods or services.	Pending	Superior Court of California, County of San Joaquin



RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure that it properly authorize payments and purchases only allowable items, the San Mateo court should process payments in accordance with the requirements and recommended practices of the Judicial Council and the State. Specifically, the San Mateo court should make sure that it is receiving the goods and services it ordered. It should also pay vendors only after verifying receipt of the goods or services.	Pending	Superior Court of California, County of San Mateo
12. To ensure that it properly authorize payments and purchases only allowable items, the San Mateo court should process payments in accordance with the requirements and recommended practices of the Judicial Council and the State. Specifically, the San Mateo court should take steps to ensure that appropriate employees authorize all payments.	Pending	Superior Court of California, County of San Mateo
13. To ensure that it properly authorize payments and purchases only allowable items, the San Mateo court should process payments in accordance with the requirements and recommended practices of the Judicial Council and the State. Specifically, the San Mateo court should amend its bottled water service contract to ensure that water is purchased for use by jurors and court room staff only.	Pending	Superior Court of California, County of San Mateo

\* The status of recommendations for audits issued between November and December 2016 is based on the entity's initial response, which is included in the original audit report, available on the California State Auditor's (state auditor) website: [www.auditor.ca.gov](http://www.auditor.ca.gov)

† As of December 31, 2016, the entity has not provided a response to the state auditor



**Table 2**  
**Monetary Values**  
**January 1, 2009, Through December 31, 2016**

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Total for January 1, 2009, Through December 31, 2016</b>		<b>\$1,956,964,250</b>
<b>Total for July 1, 2016, Through December 31, 2016</b>		<b>\$77,364,550</b>
<b>Total One-Time Benefits for July 1, 2016, Through December 31, 2016</b>		<b>\$7,996,450</b>
2015-806 (August 2016)	<i>City of Hemet: Its Ongoing Budget Deficit and Organizational Inefficiency Threaten Its Financial Stability and Delivery of Public Services</i>	
	Increased Revenue—The city of Hemet spent about \$1.8 million of its limited general fund resources in fiscal year 2014–15 to fund library operations and has spent similar amounts during the past several fiscal years. We found that even though it was facing ongoing budget deficits, Hemet did not have plans to make the library self-sufficient or to reduce its impact on the general fund. Nearly half of the library’s patrons do not actually live in Hemet. Hemet could generate at least \$835,000 in additional revenue annually for charging for nonresident use of the city library.	See annualized benefits below
	Cost Savings—Hemet outsourced landscape maintenance for some of its grounds. It could generate cost savings by outsourcing the remainder of the maintenance, including its parks. We determined that the annual cost of contracting with a private company to fully maintain a park ranges from 10 cents to 20 cents per square foot. We estimate that Hemet could generate annually \$183,000 in savings from outsourcing maintenance of city parks.	See annualized benefits below
	Increased Revenue—Hemet’s fire department does not charge for its services when it is the first responder to calls for emergency medical services. Although in 2015, the fire department responded to more than 13,000 emergency medical calls, representing more than 80 percent of its total calls it did not charge for such services. We determined that the city could have generated \$1,900,000 in fiscal year 2015–16 if it had charged for emergency medical services, based on a 50 percent collection rate. Further, we estimate that Hemet could generate annually \$2,085,000 to \$2,837,000 for fiscal years 2016–17 through 2019–20.	See annualized benefits below
I2016-2 (August 2016) (Allegations I2015-0034, I2014-0934, I2015-1073, I2015-1105)	<i>Investigations of Improper Activities by State Agencies and Employees: Conflict of Interest, Violation of Post-Employment Ethics Restrictions, Waste of State Funds, Misuse of State Resources, and Incompatible Activities</i>	
	Wasted Funds—The California Department of Public Health (Public Health) wasted state funds when it failed to enforce proper policies and procedures to ensure that it reimbursed travel in accordance with the applicable state law. From July 2012 through March 2016, Public Health improperly reimbursed a total of \$74,000 in travel expense claims for an official to travel from Sonoma County to Sacramento County.	\$74,000
	Wasted Funds—The Napa State Hospital (hospital) overpaid an investigator nearly \$3,000 from October 2015, through February 2016 for performing the duties of a communications operator. The hospital wasted state funds by paying her overtime wages based on her regular pay as an investigator rather than at the regular hourly rate for communications operator.	3,000
	Cost Recovery—The California Department of Transportation (Caltrans) failed to collect \$57,000 in rent and late fees from 16 of the 30 tenants in a mobile home park it acquired in 2010. Caltrans also failed to collect \$258,000 in utility reimbursements from tenants from October 2010 through December 2015. Caltrans’ weak management cost the state \$315,000 as of December 31, 2015.	315,000
	Wasted Funds—A supervisor at the Department of Parks and Recreation (State Parks) misused state resources when she used her state-issued cell phone to promote and sell beauty products and to communicate with relatives who reside outside of the State. State Parks determined the total charges incurred from the supervisor’s misuse of her state-issued cell phone totaled nearly \$200.	200

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2015-803 (October 2016)	<b>City of Maywood: Its Flawed Governance and Financial Mismanagement Could Compromise the Basic Services It Provides to Residents</b>	
	Cost Recovery—We found that Maywood city council members used city funds inappropriately to pay for the cost of a celebration—\$2,450 for catering and \$800 for entertainment—of the new city council at the December 2015 meeting. Because these spending decisions represent a breach of the city council's fiduciary responsibility to safeguard the city's public resources, we recommended that the city council reimburse the city for the \$3,250 in costs incurred for the celebration.	\$3,250
	Lost Revenue—As of June 2016, Maywood failed to collect more than \$177,000 in unpaid parking tickets issued since October 2015 and associated late fees.	177,000
	Lost Revenue—Maywood failed to identify eight businesses and one apartment that were operating without business licenses. Many businesses known to Maywood were delinquent in their payments of license fees. Maywood could collect up to \$19,000 in additional, one-time revenue if it collects from these businesses. Further, we found that Maywood failed to collect more than \$60,000 in rent revenue and late fees since 2012. Maywood did not begin to collect these outstanding lease payments until we brought this issue to the attention of the interim city administrator.	79,000
	Cost Savings/Avoidance—Maywood pays both the employer's share and the employees' share of the cost of its retirement plan for miscellaneous employees. We found that Maywood could save at least \$25,000 annually, by requiring its staff and elected officials to begin contributing to the costs of their retirement benefits.	See annualized benefits below
2016-106 (November 2016)	<b>Los Angeles County: Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue</b>	
	Lost Revenue—Los Angeles County failed to actively monitor its lease with the association, potentially resulting in a loss of more than \$6 million in rent revenue related to the hotel from 2006 through 2015.	6,000,000
	Lost Revenue—The Los Angeles County Fair Association failed to pay rent related to the conference center, contradicting its representations to the county when it sought help financing the construction. Los Angeles County has lost out on roughly \$350,000 in total rent revenue related to the Los Angeles County Fair Association's conference center.	350,000
2016-110 (November 2016)	<b>Trade Apprenticeship Programs: The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program</b>	
	Cost Recovery—The Air Conditioning Trade Association (ACTA) claimed homework assignment hours for reimbursement from Central Unified, but such claims are not allowable under state law. We estimate that between fiscal years 2010–11 through 2014–15, ACTA claimed at least 10,100 hours for unallowable reimbursements, with a cost of nearly \$51,000 in apprenticeship instruction funding.	51,000
2016-111 (November 2016)	<b>City of Irwindale: It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents</b>	
	Cost Savings/Avoidance—Irwindale provided key management and all other full-time employees with more generous employee pensions than those offered by comparable cities. For fiscal year 2015–16, the city budgeted approximately \$476,000 for Public Agency Retirement Services (PARS). Irwindale could reduce its employee benefits cost by eliminating further city contributions to the PARS supplemental benefit plan or at least increase participant contributions to cover the full employee share of the plan's costs.	See annualized benefits below
	Cost Savings/Avoidance—Irwindale spent \$944,000 on a prescription assistance program in fiscal year 2015–16. We recommended that Irwindale eliminate its current resident prescription drug program and replace it with the prescription discount card program offered by the League of California Cities that would provide discounts on prescriptions to residents at no cost to the city.	944,000
	Cost Savings/Avoidance—If Irwindale were to implement a cap of \$2,500 per resident for its prescription program, two-thirds the average amount spent per participant in fiscal year 2015–16, it could save more than \$300,000 per year on prescription drug benefits.	See annualized benefits below

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	Cost Savings/Avoidance—We recommended that Irwindale reevaluate the possibility of contracting policing services as an alternative to operating its own police department. In 2009 the Los Angeles County Sheriff’s Department performed a study of the Irwindale City Police Department and proposed providing policing services to the city that would reduce its annual costs by 25 percent, or \$1.8 million at the time.	See annualized benefits below
<b>Annualized Carry Forward for July 1, 2016, Through December 31, 2016</b>		<b>\$69,368,100</b>
2002-009 (April 2003)	California Energy Markets	\$14,500,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	19,000
2009-030 (July 2009)	State Bar of California	142,500
2009-112 (May 2010)	Department of Health Care Services	2,350,000
2010-108 (June 2010)	Department of Public Health	1,783,000
2009-118 (August 2010)	Department of Developmental Services	7,500,000
I2011-1 (August 2011)	Department of Mental Health† (Allegation I2009-0644)	38,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	1,045,000
2011-119 (June 2012)	Physical Therapy Board	14,000
2011-120 (August 2012)	California Department of Transportation	1,900,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	7,500
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	18,500
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	9,500
2012-117 (March 2013)	State Athletic Commission	3,000,000
2012-110 (April 2013)	Department of Motor Vehicles	3,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	18,000
2013-119 (August 2014)	Department of Health Care Services	635,350
2012-603 (August 2014)	Department of Human Resources and California State University	611,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	24,000
2013-125 (December 2014)	Department of Health Care Services	7,000
2014-107 (January 2015)	Administrative Office of the Courts	6,946,750
2014-113 (January 2015)	Department of Public Health	250,000
2015-502 (July 2015)	Department of Social Services	11,600,000
2014-130 (August 2015)	Department of Health Care Services	1,009,500
2015-119 (March 2016)	State Board of Equalization	180,000
2015-127 (April 2016)	Franchise Tax Board/ Corporate Tax Expenditures	10,000,000
2015-806 (August 2016)	City of Hemet	1,459,000
2015-803 (October 2016)	City of Maywood	12,500
2016-111 (November 2016)	City of Irwindale	1,288,000
<b>Total for July 1, 2015, Through June 30, 2016</b>		<b>\$166,080,000</b>
<b>Total One-Time Benefits for July 1, 2015, Through June 30, 2016</b>		<b>\$39,700,800</b>
2015-502 (July 2015)	<i>Follow-Up—California Department of Social Services: Although Making Progress, It Could Do More to Ensure the Protection and Appropriate Placement of Foster Children</i>	
	Cost Savings—The California Department of Social Services (Social Services) has not implemented a recommendation from our 2011 audit to revise its regulations so that licensed foster homes have a higher priority than foster family agencies for children who do not have identified treatment needs. We estimate that if Social Services were to implement our recommendations, counties could save \$116 million over the next five years.	See annualized benefits below

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2014-130 (August 2015)	<b>California Department of Health Care Services: It Should Improve Its Administration and Oversight of School-Based Medi-Cal Programs</b>	
	Cost Savings/Avoidance—When the California Department of Health Care Services (Health Care Services) implemented a random moment in time survey methodology for its administrative activities program, it missed an opportunity to implement a single statewide quarterly time survey. We estimate that the administrative activities program could save as much as \$1.3 million annually in coding costs alone if Health Care Services conducted a single statewide quarterly time survey.	See annualized benefits below
	Lost Revenue—Health Care Services has not maximized federal reimbursements applicable to the administrative activities program because it has not adequately maximized schools' participation. We estimate that the schools that were still not participating in the program during fiscal year 2011–12 missed out on claiming \$10.2 million in federal reimbursements for that same fiscal year. Additionally, Health Care Services has not maximized the federal reimbursement amount available for translation services in a school-based setting. Health Care Services has allowed California schools to claim only a 50 percent reimbursement rate. This resulted in the loss of an estimated \$4.6 million in federal funding from February 2009 through June 2015.	\$14,800,000
	Cost Recovery—We anticipate a future annual cost recovery of \$719,000 if Health Care Services revised reimbursement rates to authorize schools to claim the full allowable 75 percent rate.	See annualized benefits below
I2015-1 (August 2015) (Allegations I2013-0440, I2014-1440, I2014-1011, I2014-1398, I2015-0384)	<b>Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise</b>	
	Wasted Funds—California Correctional Health Care Services (Correctional Health Care Services) failed to seek competitive bids from vendors when it sought to upgrade the electrical infrastructure within state prisons beginning in 2011. It paid the contractor \$3.2 million to do nothing more than process invoices of the subcontractor, who performed all the work.	3,200,000
	Lost Revenue—Caltrans failed to increase the rental rates to reflect the fair market value of state land rented by telecommunications companies in the San Francisco Bay Area, in violation of a provision in their license agreements. Caltrans' failure to increase rates cost the State nearly \$883,000 in revenue from July 1, 2012 through September 30, 2014.	883,000
	Wasted Funds/Cost Recovery—For nearly two years, the California Department of Corrections and Rehabilitation (Corrections) and Correctional Health Care Services improperly allowed three chief psychologists to receive extra compensation for being on call or for returning to work after their shifts ended to perform additional duties. As a result, the State overpaid these employees a total of \$96,000	96,000
	Lost Revenue—A field division chief and a civil maintenance branch chief (maintenance manager) with the California Department of Water Resources (Water Resources) failed to follow the appropriate policies when disposing of accumulated surplus property. The maintenance manager recycled property, including copper wire, without making the required notification to the branch in charge of property disposal. We estimate the state lost revenue of approximately \$8,000.	8,000
	Wasted Funds—The Chula Vista Veterans Home wasted state funds when it purchased a piece of equipment for nearly \$50,000 and rarely used it during the past five years.	50,000
I2016-1 (February 2016) (Allegations I2015-0478, I2014-0970, I2015-0084, and I2014-1285, I2014-0948, I2014-1576, I2013-1633)	<b>Investigations of Improper Activities by State Agencies and Employees: Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds</b>	
	Wasted Funds—A supervisor at Public Health misused state time by leaving for several hours during his shift nearly every day without using leave and without approval. We estimate the supervisor did not account for 234 hours of his work time, valued at nearly \$4,000, from January 2015 through the end of July 2015.	4,000
	Wasted Funds—An employee at the California Department of Fish and Wildlife misused state resources by submitting a travel expense claim for meals and incidentals, and charging a state credit card for fuel for traveling to a two-day retirement planning fair that he did not attend. We estimate the employee misused approximately \$300 of state resources.	300

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	Cost Recovery—A supervising nurse at Correctional Health Care Services forged seven military documents regarding the dates of his reservist duties and submitted false time sheets to his supervisor at Correctional Health Care Services. The supervising nurse did not work for the military on 10 of the 34 days identified in the forged documents, costing the state approximately \$4,000. Further, the state paid him nearly \$2,000 for four days he inaccurately indicated performing active duty when he actually performed inactive duty. We estimate the state overpaid the nurse nearly \$6,000.	\$6,000
	Wasted Funds—The California Department of General Services (General Services) failed to update its statewide policy since forming a rental car contract with Enterprise. By appropriately making its policies and practices consistent with the statewide policy, CalRecycle unnecessarily spent approximately \$4,000 from July 2014 through June 2015. We estimate the total waste resulting from General Services' policy may have been much greater, given that other state agencies in the Sacramento area are also subject to this policy.	4,000
	Wasted Funds—Four psychiatrists at Patton State Hospital regularly worked an average of 22 to 29 hours per week instead of the average of 40 hours per week required by their collective bargaining agreement. We determined that the psychiatrists 2,254 hours of missed work between July 2014 and June 2015 had a value of nearly \$297,000.	297,000
	Wasted Funds—Water Resources wasted state funds when it improperly reimbursed three employees nearly \$4,500 in excess of the allowed amount for training as a result of its staff's inconsistent practices and failure to follow its training policies and procedures.	4,500
	Cost Avoidance/Savings—Water Resources could have saved nearly \$51,000 had its staff appropriately categorized training courses for seven employees and followed its policy of capping training reimbursements.	51,000
	Wasted Funds—The Porterville Developmental Center wasted state funds when it charged only eight hours of leave to certain employees who missed scheduled nine-hour or 10-hour workdays. We determined that Porterville Developmental Center did not charge 566 hours of leave to the employees, which cost the State at least \$25,000.	25,000
2015-119 (March 2016)	<b>State Board of Equalization: Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible</b>	
	Cost Savings/Avoidance—Although the number of locations licensed by retailers, distributors, and wholesalers has declined, the Board of Equalization (Equalization) did not decrease the number of inspections it conducted which resulted in an increased frequency of inspections. We believe Equalization could return to its initial frequency of inspections and continue to maintain the high level of compliance with the cigarette tax law that the three-part enforcement program has already achieved. We estimate that conducting over 800 fewer inspections each year would result in cost savings of more than \$360,000 per year.	See annualized benefits below
2015-120 (March 2016)	<b>California Department of Transportation: Its Maintenance Division's Allocations and Spending for Field Maintenance Do Not Match Key Indicators of Need</b>	
	Wasted Funds—Caltrans paid a consultant to develop a budget model for its maintenance division's field maintenance program in 2009. However, the maintenance division never implemented the model. Therefore, we determined Caltrans wasted the \$250,000 it paid the consultant to develop the model.	250,000
2015-127 (April 2016)	<b>Corporate Income Tax Expenditures: The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness</b>	
	Increased Revenue—We found that the tax expenditure—the waters edge election—may be providing corporations with unintentional benefits that reduce the state's revenue by mandating that all corporations use the water's edge election instead of allowing corporations to select between two tax structures could increase the state's tax revenue while continuing to fulfill the tax expenditure's purpose. The Franchise Tax Board (Tax Board) has estimated that including tax havens within the water's edge for California would result in additional state revenue of \$20 million for the first fiscal year and increase to \$40 million the following fiscal year.	20,000,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2015-047 (May 2016)	<i>The State Bar of California: Its Lack of Transparency Has Undermined Its Communications With Decision Makers and Stakeholders</i>	
	Wasted Funds—The State Bar of California (State Bar) created and used a nonprofit organization with little or no board oversight from 2013 through 2015. About two-thirds of the expenses the State Bar recorded in the foundation's fund were for unrelated purposes. Specifically, the State Bar charged to the foundation more than \$22,000 in expenses that were unrelated to the Legal Services Trust Fund or Sections Program, the foundation's ostensible beneficiaries.	\$22,000
<b>Annualized Carry Forward for July 1, 2015, Through June 30, 2016</b>		<b>\$126,379,200</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health <sup>†</sup> (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	California Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	6,000,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	36,000
2013-119 (August 2014)	Department of Health Care Services	1,270,700
2012-603 (August 2014)	Department of Human Resources and California State University	1,222,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	48,000
2013-125 (December 2014)	Department of Health Care Services	14,000
2014-107 (January 2015)	Administrative Office of the Courts	13,893,500
2014-113 (January 2015)	Department of Public Health	500,000
2015-502 (July 2015)	Department of Social Services	23,200,000
2014-130 (August 2015)	Department of Health Care Services	2,019,000
2015-119 (March 2016)	State Board of Equalization	360,000
<b>Total for July 1, 2014, Through June 30, 2015</b>		<b>\$107,860,200</b>
<b>Total One-Time Benefits for July 1, 2014, Through June 30, 2015</b>		<b>\$12,879,000</b>



REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2013-119 (August 2014)	<b>California Department of Health Care Services: Its Failure to Properly Administer the Drug Medi-Cal Treatment Program Created Opportunities for Fraud</b>	
	Cost Recovery—Outpatient drug-free services providers in Los Angeles County and Fresno County could not locate all of the patients records we selected for testing, which amounted to \$11,502. In addition, the patient records for all three counties we visited did not always include the documentation that state regulations require, which amounted to \$49,618. In total, this amounted to \$ 61,120. When providers cannot produce patient records, they cannot demonstrate that they rendered services. Thus, the State and counties can recover the reimbursements they paid to these providers because the providers cannot produce patient records to support their claims.	\$61,000
	Cost Recovery—Health Care Services and ADP approved approximately \$953,000 in potentially improper payments to providers of outpatient drug-free services, which includes \$10,000 for purportedly deceased beneficiaries. We estimate \$317,700 in continued annual savings through cost avoidance as a result of our recommendations.	953,000
	Cost Recovery—Although Health Care Services had already suspended or terminated provider sites associated with nearly \$71 million of the \$84 million in services we identified using five high-risk indicators, the remaining provider sites account for more than \$13 million. We found that providers could not locate or provide adequate documentation to justify reimbursement claims for roughly 22 percent, or \$2.8 million of the services we reviewed. We estimate \$953,000 in continued annual savings through cost avoidance as a result of our recommendations.	2,860,000
2012-603 (August 2014)	<b>High Risk Update: California Department of Human Resources and California State University: State Agencies Credited Their Employees With Millions of Dollars Worth of Unearned Leave</b>	
	Cost Recovery—From January 2008 through December 2012, state departments, agencies, California State University campuses, and other entities credited their employees with unearned leave worth nearly \$6.4 million as of December 2013. State law allows state agencies to recover overpayments to their employees only if the agencies initiate corrective action within three years of the date of the overpayment. We estimate \$1,222,000 in continued annual savings through cost avoidance as a result of our recommendations.	6,357,000
2014-301 (November 2014)	<b>Judicial Branch Procurement: Superior Court of California, County of Alameda: Five Superior Courts Did Not Consistently Follow Judicial Branch Contracting Practices</b>	
	Wasted Funds/Cost Savings—The Alameda court overpaid \$2,500 for mental health assessments for participants in the Parolee Reentry Court Program. It also purchased bottled water for court staff and jurors at a cost of over \$4,000 a month. The <i>State Administrative Manual</i> and the <i>State Contracting Manual</i> generally prohibit the purchase of bottled water for staff, except in limited circumstances, such as when the building water does not meet health standards. We estimate that the court could save \$48,000 each year by discontinuing purchasing bottled water for court staff and jurors.	51,000
2013-125 (December 2014)	<b>California Department of Health Care Services: Weaknesses in Its Medi-Cal Dental Program Limit Children's Access to Dental Care</b>	
	Wasted Funds—Health Care Services reimbursed more than \$70,000 for dental procedures that were purportedly provided to deceased beneficiaries between 2009 and 2013. We estimate \$14,000 in continued annual savings through cost avoidance as a result of our recommendations.	70,000
I2014-1 (December 2014) (Allegations I2010-1250, I2012-0355, I2011-0878)	<b>Investigations of Improper Activities by State Agencies and Employees: Theft of State Funds, Waste of Public Resources, Improper Headquarters Designation and Improper Travel Expenses, Dishonesty, Incompatible Activities, and Other Violations of State Law</b>	
	Wasted Funds—The California Military Department (Military Department) failed to keep an accurate inventory of state property at the Camp Roberts training facility, which led to a loss of \$33,411 worth of state property in June 2011.	33,000
	Wasted Funds—General Services allowed a private security firm's security guards to park free of charge in the building's parking garage despite the contract with the firm specifically stating that General Services has no obligation to provide this benefit. General Services would have received at least \$12,825 in parking revenue from October 2008 through June 2012. General Services reported in November 2014 that it will amend the contract with the firm to allow security guards working evenings and weekends to park in the building's garage without charge.	13,000

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	Wasted Funds—The Employment Development Department (EDD) failed to accurately designate an employee's office headquarters. Because of this inappropriate designation, the employee's supervisors approved \$20,695 in improper travel payments between July 2007 and January 2010. Had EDD properly designated the employee's headquarters, the State would not have incurred these travel expenses. In addition, the employee's supervisor approved an additional \$6,152 in improper travel expenses from January 2010 through July 2012.	\$27,000
2014-107 (January 2015)	<b>Judicial Branch of California: Because of Questionable Fiscal and Operational Decisions, the Judicial Council and the Administrative Office of the Courts Have Not Maximized the Funds Available for the Courts</b>	
	Cost Savings—The Administrative Office of the Courts (AOC) pays salaries to its employees that are higher than those in the executive branch. If the salaries of the AOC's three executive officers and the managers of its 20 offices matched the levels of comparable California executive branch positions, we estimate it would save \$1 million annually in cost savings.	See annualized benefits below
	Wasted Funds/Cost Savings—The AOC provides discounted transit passes for major public transportation providers, but it pays almost double the subsidy amounts for transit passes compared to the executive branch. For July 2010 through December 2013, this excess subsidy cost the AOC approximately \$1,160,000. We estimate an annual cost savings of \$330,000 associated with this recommendation.	1,160,000
	Cost Savings—The AOC pays the employee share of the member's retirement contribution for certain executive and management staff hired before October 2012. We estimate the AOC will save approximately \$110,000 per fiscal year in cost savings if it ceases to pay these employees' shares.	See annualized benefits below
	Wasted Funds/Cost Savings—The AOC maintains three work locations, which has resulted in: <ul style="list-style-type: none"> <li>• approximately \$25,000 spent on travel expenses for executive managers who work in different locations than the majority of their staff</li> <li>• a salary differential of \$47,000 annually paid to AOC's internal audits office</li> <li>• an excess \$5 million annually spent on rent</li> </ul>	25,000 See annualized benefits below
	Cost Savings/Avoidance—The AOC's use of contractors, temporary workers, and consultants has resulted in significantly higher costs than the AOC would have incurred had it hired state employees to perform this work. If the AOC replaced 55 contractors with state employees, it could save up to \$7 million per year. If the AOC use state employees instead of 15 temporary workers, it could save about \$200,000 per year. We estimate a continued cost savings of \$7,200,000 if the AOC implemented this recommendation.	See annualized benefits below
	Cost Savings/Avoidance—The AOC has assigned vehicles to its top executives, but we found that, on average, the three executives use the vehicles for business purposes for only about 20 percent of the time and personal use for the remaining 80 percent. If the AOC required these three executives to instead use their personal vehicles and claim the mileage reimbursement rate for their business miles, we estimate that it would save an average of roughly \$2,500 per vehicle each year.	See annualized benefits below
	Cost Savings/Avoidance—The AOC pays for parking for five office directors, which it estimates costs an average of about \$1,000 each month. Executive branch policy only allows for reimbursement if there will be business-related travel on the same day. If the AOC stops providing this benefit, we estimate a continued cost savings of \$12,000 a year.	See annualized benefits below
	Wasted Funds/Cost Savings—The AOC caters training sessions and meetings at its work locations and has greater allowances for meal costs than the executive branch. For fiscal years 2010–11 through 2012–13, this benefit cost approximately \$560,000. We estimate that AOC could save \$187,000 a year by discontinuing this benefit.	560,000 See annualized benefits below
2014-118 (January 2015)	<b>California Department of Developmental Services: Its Process for Assessing Fees Paid by Parents of Children Living in Residential Facilities Is Woefully Inefficient and Inconsistent</b>	
	Lost Revenue—The California Department of Developmental Services (Developmental Services) failed to provide timely assessments of parental fees. For the roughly 250 initial assessments Developmental Services performs each year, we estimated that the annual amount of unbilled fees caused by assessment delays ranges from \$740,000 to \$1.1 million. Based on Developmental Services' average collection rate of 60 percent, we calculated approximately \$552,000 in lost revenue.	552,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2014-113 (January 2015)	<i>California Department of Public Health: Even With a Recent Increase in Federal Funding, Its Efforts to Prevent Diabetes Are Focused on a Limited Number of Counties</i>  Lost Revenue—We found two federal grants related to diabetes for which Public Health could have applied. Specifically, one had an award amount of up to \$500,000 per year for up to three years. Public Health stated that it did not have the resources and capacity required to apply for this particular grant.	See annualized benefits below
2014-121 (June 2015)	<i>University of California, Davis: It Has Not Identified Future Financing for the Strawberry Breeding Program nor Collected All Available Revenues</i>  Lost Revenue—Under the terms of the strawberry program’s licensing agreements, University of California, Davis (UC Davis) had opportunities to collect additional strawberry program revenues, but it chose not to do so. Over a three-year period, UC Davis did not collect approximately \$157,000 in interest charges from three licensed nurseries and a master licensee for late royalty payments.	\$157,000
<b>Annualized Carry Forward for July 1, 2014, Through June 30, 2015</b>		<b>\$94,981,200</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health† (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	California Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	36,000
2013-119 (August 2014)	Department of Health Care Services	1,270,700
2012-603 (August 2014)	Department of Human Resources and California State University	1,222,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	48,000
2013-125 (December 2014)	Department of Health Care Services	14,000
2014-107 (January 2015)	Administrative Office of the Courts	13,893,500
2014-113 (January 2015)	Department of Public Health	500,000
<b>Total for July 1, 2013, Through June 30, 2014</b>		<b>\$603,077,000</b>
<b>Total One-Time Benefits for July 1, 2013, Through June 30, 2014</b>		<b>\$516,780,000</b>

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2012-118 (July 2013)	<b>California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law</b>  Cost Recovery—The California Public Utilities Commission (CPUC) failed to provide guidance to its accounting staff regarding interest computation methodology, which resulted in the CPUC overpaying an estimated \$40,000 in interest payments on intervenor claims. The CPUC is currently in the process of collecting the overpaid interest from the intervenors.	\$40,000
2012-121.2 (September 2013)	<b>Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System</b>  Wasted Funds—State Parks inappropriately paid nearly \$16,400 for leave to five employees in fiscal years 2009–10 and 2010–11. These leave buyback transactions were unallowable under the employees’ relevant bargaining unit agreements.	16,000
I2011-0837 (October 2013)	<b>California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty</b>  Wasted Funds—The administrator of a veterans home operated by the California Department of Veterans Affairs (Veterans Affairs) unwisely entered into two contracts on behalf of the home that wasted \$653,000 in state-managed funds and did not comply with state contracting requirements. Veterans Affairs wasted approximately \$424,000 during fiscal years 2009–10, 2010–11, and 2011–12 when it paid a vendor to manage the café and tavern at a veterans home when it could have arranged for another vendor to operate the café and tavern at little or no cost to the home. Veterans Affairs wasted nearly \$229,000 during fiscal years 2010–11 and 2011–12 when it entered into a contract that did not comply with state contracting requirements for the construction and operation of an adventure park and therefore had to spend funds to terminate the contract.	653,000
I2012-0651 (March 2014)	<b>Employment Development Department: It Failed to Participate in a Federal Program That Would Have Allowed the State to Collect Hundreds of Millions of Dollars</b>  Lost Revenue—EDD failed to take advantage of a federal program that would have allowed it to collect an estimated \$516 million owed to the State in unemployment benefit overpayments made to claimants. Several states chose to participate in the federal Treasury’s Offset Program to collect unemployment benefit overpayments from 2011 through 2013 with great success. However, EDD, acting on behalf of California, declined to participate in this aspect of the Offset Program, and instead persisted with its existing collection efforts.	516,000,000
2013-501 (March 2014)	<b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun</b>  Wasted Funds/Cost Savings—Over the two fiscal years we reviewed, the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun (Pilot Commissioners Board) reimbursed the San Francisco Bar Pilots approximately \$141,000 for what appear to be economy class tickets with fully refundable fares, compared to our estimate of nearly \$70,000—an amount based on the average of three airlines’ airfares for economy class tickets refundable for a small fee. This represents a potential savings of roughly \$71,000 over just a two year period. If the Pilot Commissioners Board carries out our recommendations regarding the purchase of airline tickets, we estimate \$36,000 in continuing annual savings through cost avoidance.	71,000
<b>Annualized Carry Forward for July 1, 2013, Through June 30, 2014</b>		<b>\$86,297,000</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health† (Allegation I2009-0644)	\$76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	California Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
<b>Total for July 1, 2012, Through June 30, 2013</b>		<b>\$140,226,000</b>
<b>Total One-Time Benefits for July 1, 2012, Through June 30, 2013</b>		<b>\$32,600,000</b>
2011-120 (August 2012)	<b>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</b>	
	Increased Revenue—Caltrans charged the majority of the State Route 710 (SR 710) property tenants rents that are, on average, 43 percent below market rate. Caltrans' rental of the SR 710 properties at below-market values constitutes a gift of public funds, which is prohibited by the California Constitution unless such rentals serve a public purpose. If it charged market rates for the 345 SR 710 properties, Caltrans could potentially generate as much as \$3.8 million more per year in rental income. We expect this benefit to begin in fiscal year 2013–14.	
2012-105 (November 2012)	<b>Departments of Public Health and of Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness</b>	
	Cost Recovery—Public Health did not provide proper oversight of the research foundation's 2007 contract. In our review of the payroll information for 14 research foundation invoices paid under that contract, we found that Public Health may have been overcharged by roughly \$12,000 because the research foundation did not apply the allocation percentage stated in its original contract and adjust the allocation percentage for the subsequent amendments to the salaries of two individuals who were listed in the budgets.	\$12,000
2010-102 (February 2011; December 2012 Update)	<b>Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management</b>	
	Cost Recovery—In February 2011 we issued a report regarding the AOC California Court Case Management System (CCMS). We found that the AOC inadequately planned the project since 2003 and has consistently failed to develop accurate cost estimates or timelines for the projects. Subsequently, the Legislature did not provide additional funds for the deployment of CCMS. The Judicial Council voted to halt deployment of CCMS in March 2012 and Deloitte Consulting agreed to repay \$16 million to compensate for delays caused by numerous quality issues.	16,000,000
I2012-1 (December 2012) (Allegation I2009-0634)	<b>Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees</b>	
	Cost Recovery—A Tax Board employee, an Office of the Secretary of State (secretary) employee, and a courier service owner engaged in an elaborate scheme that enabled the courier service owner to steal nearly a quarter of a million dollars from the State. The three individuals were convicted of bribery and ordered to pay a total of approximately \$227,000 in restitution to the secretary and the board. The failure of these agencies to maintain adequate controls contributed to the individuals' ability to perpetrate fraud.	227,000
I2012-1 (December 2012) (Allegation I2008-1217)	<b>Employment Development Department: Investigations of Improper Activities by State Employees</b>	
	Cost Recovery—A former EDD accounting technician and two accomplices were convicted of conspiracy to commit mail fraud for executing a scheme to redirect unemployment insurance (unemployment) benefits from the State of California to ineligible recipients. During the duration of their scheme, the two accomplices illicitly received nearly \$93,000 in unemployment claims for wages to which they were not entitled using U.S. mail to deliver their benefits from August 2008 through October 2010.	93,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2012-1 (December 2012) (Allegation I2009-1341)	<p><b>California State Athletic Commission: Investigations of Improper Activities by State Employees</b></p> <p>Cost Recovery—The California State Athletic Commission (Athletic Commission) overpaid approximately \$119,000 to 18 of its athletic inspectors from January 2009 through December 2010, because it inappropriately paid them at an hourly overtime rate rather than an hourly straight-time rate for work they performed. However, only about \$25,000 of that amount can be collected due to the statute of limitation for recovering overpayments.</p> <p>Wasted Funds—Due to the statute of limitation for recovering overpayments, the Athletic Commission cannot recover \$94,000 of the \$119,000 the Athletic Commission overpaid to 18 of its athletic inspectors from January 2009 through December 2010.</p> <p>Wasted Funds—We identified \$29,000 in costs incurred over a two-year period that could have been avoided if the Athletic Commission had not employed as athletic inspectors persons who already were employed full-time by the State in classifications that are similar to the athletic inspector classification and thus were entitled to receive compensation at an overtime rate. If the Athletic Commission carries out all of our recommendations regarding the payment and hiring of athletic inspectors, we estimate \$14,525 in continuing annual savings through cost avoidance.</p>	\$25,000 94,000 29,000
I2012-1 (December 2012) (Allegation I2009-1218)	<p><b>Department of Fish and Game<sup>‡</sup>: Investigations of Improper Activities by State Employees</b></p> <p>Wasted Funds—A supervisor with the Department of Fish and Game (Fish and Game) improperly implemented an agricultural lease agreement. He directed the lessee, in lieu of making lease payments, to purchase about \$54,000 in goods and services that did not constitute improvements and repairs to the leasehold, as required by the lease requirement.</p>	54,000
I2012-1 (December 2012) (Allegation I2009-0689)	<p><b>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b></p> <p>Wasted Funds—A manager with Correctional Health Care Services improperly allowed Corrections employees to use rental cars paid for by the state and receive mileage reimbursements for commuting, and Corrections improperly approved this. The manager also improperly authorized these employees to receive reimbursements for expenses they incurred near their homes and headquarters, and Corrections improperly approved the payments. As a result, the State paid 23 employees a total of \$55,000 in travel benefits over 18 months that they were not entitled to receive. As a result of our identifying the improper reimbursements and Corrections implementing our recommendation to end the reimbursements, we estimate \$37,000 in continued annual savings.</p>	55,000
I2012-1 (December 2012) (Allegation I2009-1321)	<p><b>Natural Resources Agency: Investigations of Improper Activities by State Employees</b></p> <p>Wasted Funds—From January 2009 through June 2011, an executive with the Natural Resources Agency (Resources) circumvented state travel regulations by improperly reimbursing an official and an employee about \$48,000 in state funds for commutes between their homes and headquarters and lodging and meal expenses incurred near Resources headquarters. If this pattern continued to occur, we estimate \$19,000 in continued annual savings through cost avoidance as a result of our recommendations.</p>	48,000
I2012-1 (December 2012) (Allegation I2010-1151)	<p><b>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b></p> <p>Cost Recovery—A supervising registered nurse at the California Training Facility in Soledad (facility) falsely claimed to have worked 183 hours of regular, overtime, and on-call hours that have resulted in overpayments and ultimately overpaid the nurse about \$9,000. Staff at the facility's personnel office reported that they have begun the process to collect the overpayments identified in this report.</p>	9,000
I2012-1 (December 2012) (Allegation I2010-1022)	<p><b>University of California, Office of the President: Investigations of Improper Activities by State Employees</b></p> <p>Wasted Funds/Cost Recovery—The University of California (university) reimbursed an official approximately \$4,200 for travel expenses he incurred from July 2008 through July 2011 based on wasteful travel policies and procedures. Additionally, the university official improperly requested, and the university improperly authorized, reimbursements for travel expenses totaling nearly \$1,800, and we recommended that the university seek recovery of these reimbursements.</p>	6,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2005-2 (Allegations I2004-0649, I2004-0681, I2004-0789) (December 2012 Update)	<p><b>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b></p> <p>Cost Recovery—Issued in September 2005, this investigation revealed that Corrections failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In June 2010 Corrections notified us that it had initiated litigation against the union to recover unreimbursed costs for all Corrections employees on full-time union leave. In January 2012 Corrections reached an agreement with the union that requires the union pay the State a total of \$3.5 million for all Corrections employees on full-time union leave through annual payments beginning that same month and continuing until the entire amount is paid.</p>	\$3,500,000
2012-117 (March 2013)	<p><b>State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question</b></p> <p>Wasted Funds—Over the last three calendar years for administrative spending, the Athletic Commission spent a total of \$197,400 in excess of the allowable 20 percent limit of its annual contribution. Should the Athletic Commission limit administrative spending to the allowable 20 percent, it could save an annual average of \$66,000.</p> <p>Lost Revenue—The Athletic Commission’s revenues are generally derived from taxes, assessments, and fees collected from events it regulates. Our review of 12 sample events found that the Athletic Commission failed to collect \$4,600 because it inconsistently adhered to its regulations and processes.</p> <p>Lost Revenue—The Athletic Commission failed to maximize the money available to fund boxers’ pension benefits by not transferring funds into a higher-yield investment account, potentially resulting in a loss of \$20,000 between fiscal years 2007–08 and 2010–11. This is an ongoing benefit of approximately \$5,000 per year.</p> <p>Lost Revenue—In 2010 and 2011, the Athletic Commission inappropriately used funds from the Athletic Commission fund to pay \$40,000 in pension plan administration fees, despite the Legislature intending the pension fund to cover the administration of the pension plan.</p> <p>Increased Revenue—The Athletic Commission reports that it has worked with the Legislature to raise the maximum fee it charges promoters for the sale or lease of broadcasting rights from \$25,000 to \$35,000 per event. In fiscal years 2010–11 and 2011–12, the Athletic Commission reported 22 instances where it collected a maximum broadcasting fee from promoters. Going forward, we estimate that the Athletic Commission will realize approximately \$110,000 in increased revenue annually as a result of these increased maximum fees.</p>	197,000
I2009-0640 (March 2013)	<p><b>California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property</b></p> <p>Cost Recovery—A supervisor with Caltrans improperly removed steel beams from a Caltrans facility. After discovering this, Caltrans paid \$2,000 to transport the beams back to a Caltrans facility. We recommended that Caltrans seek reimbursement for the transportation cost from the supervisor.</p> <p>Cost Recovery—Caltrans improperly paid two technicians \$6,834 and \$6,954, respectively, for overtime and differential work hours that they did not work. We recommended that Caltrans seek reimbursement of these payments.</p>	2,000
2012-110 (April 2013)	<p><b>Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported</b></p> <p>Lost Revenue—The Department of Motor Vehicles’ (Motor Vehicles) policy is to collect retention fees for special license plates only when the plate owner notifies the department that he or she will again use the special plate on a vehicle. Using Motor Vehicles’ unaudited available data and the fees prescribed in statutes, we estimate that, because of this policy, it did not collect retention fees of \$12 million during fiscal years 2010–11 and 2011–12. We estimate that by implementing our recommendation to collect retention fees for all special plates retained by plate owners, Motor Vehicles could realize up to \$6 million in increased revenue annually.</p>	12,000,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2010-1045 (June 2013)	<b>California Department of Corrections and Rehabilitation and California Correctional Health Care Services:</b> <i>Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees</i>	
	Wasted Funds—Corrections wasted \$126,952 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at six correctional facilities we examined. If what we found at the six facilities is representative of all correctional facilities during the period we examined, the amount wasted could be around \$400,000.	\$127,000
	Wasted Funds—Correctional Health Care Services wasted \$42,589 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at one correctional facility we examined.	43,000
<b>Annualized Carry Forward for July 1, 2012, Through June 30, 2013</b>		<b>\$107,626,000</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services <sup>S</sup>	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health <sup>†</sup> (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
<b>Total for July 1, 2011, Through June 30, 2012</b>		<b>\$189,432,000</b>
<b>Total One-Time Benefits for July 1, 2011, Through June 30, 2012</b>		<b>\$21,037,000</b>
2010-125 (August 2011)	<b>State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund</b>	
	Increased Revenue—The State Lands Commission (Commission) should develop and adhere to policies and procedures that incorporate the <i>State Administrative Manual's</i> guidance, including a process for consistently tracking delinquent leases. Also, the Commission should continue to implement its newly established holdover reduction procedures and evaluate whether the procedures are having their intended effect. Additionally, the Commission should conduct rent reviews on each fifth anniversary, as specified in its lease agreements, or include provisions in its leases to allow for the use of other strategies, such as adjusting rents annually using an inflation indicator. Finally, the Commission should amend its regulations for establishing pipeline rents on state land.	\$8,320,000



REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2011-1 (August 2011) (Allegation I2009-0644)	<b>Department of Mental Health<sup>†</sup>: Investigations of Improper Activities by State Employees</b> Cost Savings—A senior official with the Department of Mental Health (Mental Health) improperly was paid for activities that either were taken on behalf of a nonstate organization or did not serve a state purpose. Mental Health should evaluate the need for the senior official's position.	\$76,000
I2011-1 (August 2011) (Allegation I2010-0844)	<b>California Energy Commission: Investigations of Improper Activities by State Employees</b> Cost Recovery—An employee and personnel specialist at the California Energy Commission (Energy Commission) falsified time and attendance records to enable the employee, at the time of her retirement, to receive a payment for unused annual leave that was higher than the amount to which she was entitled. The Energy Commission should seek to recover the amount it improperly paid the retiring employee for unused annual leave hours.	7,000
I2011-1 (August 2011) (Allegation I2009-0601)	<b>Department of Fish and Game<sup>‡</sup>: Investigations of Improper Activities by State Employees</b> Cost Recovery—A manager at Fish and Game improperly directed an employee to use a state vehicle for commuting between her home and work locations during a nine-month period. In addition, the employee improperly requested, and the manager improperly approved, reimbursement for lodging and meal expenses incurred by the employee near her headquarters. Fish and Game should initiate repayment from the manager for the costs—totaling \$9,000—associated with the misuse of the state vehicle and seek recovery of the improper lodging and meal reimbursements that were paid to the employee.	9,000
I2011-1 (August 2011) (Allegation I2009-1476)	<b>State Controller's Office: Investigations of Improper Activities by State Employees</b> Cost Recovery—An employee of the State Controller's Office (State Controller) failed to report an estimated 322 hours of absences over an 18-month period. The State Controller should seek reimbursement from the employee for the wages she did not earn.	7,000
2010-124 (September 2011)	<b>Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain</b> Cost Savings—Corrections should suspend its use of the COMPAS core and reentry assessments until it has issued regulations, updated its operations manual, and has demonstrated to the Legislature that it has a plan to measure and report COMPAS's effect on reducing recidivism.	2,090,000
2011-111 (March 2012)	<b>Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment</b> Lost Revenue—EDD missed opportunities to receive up to \$10.5 million from six federal grants available for workforce investment, and thus it is not availing itself of additional funds the State can use to help job seekers obtain employment. Because EDD does not have a grant review and approval process that documents its identification of grant opportunities and its final decisions related to such opportunities, we were unable to substantiate EDD's reasons for foregoing grant opportunities.	10,500,000
2011-119 (June 2012)	<b>Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately</b> Cost Savings—One of the Physical Therapy Board of California's (physical therapy board) expert consultants has served as the in-house consultant since approximately 2003, performing cursory reviews of certain complaints before they may be referred to other expert consultants in the field. We believe that the physical therapy board may be able to save approximately \$28,000 to \$35,000 annually if it can hire a state physical therapy consultant at existing state rates to perform the same work as its in-house consultant.	28,000
<b>Annualized Carry Forward for July 1, 2011, Through June 30, 2012</b>		<b>\$168,395,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services <sup>§</sup>	4,600,000

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2004-2 (September 2004)	Department of Health Services <sup>S</sup> (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	\$64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services <sup>S</sup>	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife <sup>‡</sup> (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
<b>Total for July 1, 2010, Through June 30, 2011</b>		<b>\$390,054,000</b>
<b>Total One-Time Benefits for July 1, 2010, Through June 30, 2011</b>		<b>\$209,059,000</b>
2009-114 (July 2010)	<i><b>Department of General Services: It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises</b></i>	
	Cost Savings and Recovery—We recommended that General Services determine if there are further opportunities to achieve savings for consultant-recommended categories of goods and services contracts. Also, General Services should follow procedures for identifying strategic sourcing opportunities and work to obtain comprehensive and accurate data on the specific items that state agencies are purchasing. Finally, General Services should implement standard procedures to recover identified overcharges. The potential savings to the State is currently unknown, but if General Services implements our recommendation, the savings will be quantifiable in the future. The report concludes that documents indicate that as a result of its initial strategic sourcing efforts, the State accrued at least \$160 million in net savings from 33 contracts through June 30, 2007.	Unknown
2003-106 (October 2003; August 2010 Update)	<i><b>State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reform of the Process</b></i>	
	Cost Recovery—We recommended that the State Controller audit Peace Officers Procedural Bill of Rights (POBOR) claims that had been paid. In 2010, the State Controller informed the California State Auditor that it had audited \$225 million in POBOR program claims and identified \$194 million (86 percent of claims reviewed) in unallowable costs had been claimed.	\$194,000,000
2009-118 (August 2010)	<i><b>Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers</b></i>	
	Cost Recovery—We found that Developmental Services did not generally examine how regional centers established rates or selected particular vendors. Our review found that the manner in which some regional centers established payment rates and selected vendors had the appearance of favoritism or fiscal irresponsibility. Based on our review of Developmental Services' recent fiscal audits, it has recovered roughly \$15 million as a direct result of our recommendations and findings. If Developmental Services continues to carry out our recommendations, we estimate \$15 million in continued annual savings through a combination of cost recovery and cost avoidance.	15,000,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-106 (November 2010)	<i>Dymally-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs</i>  Cost Savings—Some state agencies are not maximizing opportunities to reduce their costs to provide bilingual services by leveraging California Multiple Award Schedules contracts for interpretation and translation services.	\$47,000
12010-2 (January 2011) (Allegation I2008-1024)	<i>Department of General Services: Investigations of Improper Activities by State Employees</i>  Cost Recovery—A manager with General Services improperly used state vehicles for his daily commute for nine years. General Services should seek reimbursement from the manager for costs associated with his misuse of state vehicles.	12,000
<b>Annualized Carry Forward for July 1, 2010, Through June 30, 2011</b>		<b>\$180,995,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services <sup>§</sup>	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services <sup>§</sup>	4,600,000
I2004-2 (September 2004)	Department of Health Services <sup>§</sup> (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services <sup>§</sup>	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife <sup>‡</sup> (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
<b>Total for July 1, 2009, Through June 30, 2010</b>		<b>\$195,429,000</b>
<b>Total One-Time Benefits for July 1, 2009, Through June 30, 2010</b>		<b>\$23,023,000</b>
2009-112 (May 2010)	<i>Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits</i>  Cost Avoidance—If Health Care Services performed cost-benefit analyses on treatment authorizations requests (TARs) with very low denial rates, it could ascertain which TAR's administrative costs equaled or exceeded its savings. By performing this analysis, we estimate that it could save \$4.7 million annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services.	\$4,700,000

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2010-108 (June 2010)	<b>Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts</b>	Increased Revenue—Public Health inappropriately granted a 35 percent reduction to health facility penalties totaling \$70,000. This error was largely because the database that Public Health uses to calculate penalty reductions was not programmed to reflect the correct dates to calculate penalties. Also, Public Health could have generated \$95,000 if it had assessed interest on penalties stalled in the appeals process. It also could have increased revenue by \$3.3 million during the period of fiscal year 2003–04 through March 2010 if it had updated the monetary penalties amounts based on inflation rates. Finally, Public Health could have generated \$101,220 if it had included certain accounts in the Surplus Money Investment Fund as opposed to the Pooled Money Investment Account.	\$70,000
			95,000
			3,300,000
			101,000
I2010-1 (June 2010) (Allegation I2008-1066)	<b>Department of Industrial Relations: Investigations of Improper Activities by State Employees</b>	Cost Recovery—An inspector at the Department of Industrial Relations, Division of Occupational Safety and Health, misused state resources and improperly engaged in dual employment during her state work hours, for which she received \$70,105 in inappropriate payments.	70,000
I2010-1 (June 2010) (Allegation I2008-0920)	<b>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b>	Wasted Funds—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the tasks of a lower-paid classification. This misuse of the employees' time resulted in a loss to the State of \$110,797.	111,000
		Cost Savings—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the clerical and administrative tasks. When these employees returned to their normal duties, Corrections did not hire any other employees to perform the clerical and administrative tasks, resulting in a cost savings to the State of \$75,824.	76,000
I2010-1 (June 2010) (Allegation I2008-1037)	<b>California State University, Northridge: Investigations of Improper Activities by State Employees</b>	Cost Recovery—An employee of California State University, Northridge (Northridge), improperly allowed a business owner and associates to use a university laboratory facility, equipment, and supplies without compensating Northridge. After this investigation, Northridge received payment of \$20,709 from the business owner.	21,000
2009-030 (July 2009)	<b>State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs</b>	Lost Revenue/Increased Revenues—State Bar has not updated the formula it uses to bill disciplined attorneys, although the discipline costs have increased 30 percent during the last five years. We estimate that if it had updated the billing formula, it could have billed an additional \$850,000 for the past three years. Additionally, if the State Bar updates the formula, we estimate that it could increase revenue in future years by approximately \$285,000 annually.	850,000
2009-101 (November 2009)	<b>Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts</b>	Cost Recovery—Since December 2003 counties have received millions of dollars in overpayments recovered from food stamp recipients. However, Social Services has been delayed in taking the steps needed to claim its share of these overpayments—approximately \$12.45 million. As a result of the six-year delay in addressing this issue, we estimate Social Services lost approximately \$1.1 million in interest on its share of the funds.	13,550,000
I2009-0702 (November 2009)	<b>Department of Corrections and Rehabilitation: Its Poor Internal Controls Allowed Facilities to Overpay Employees for Inmate Supervision</b>	Cost Recovery—Corrections made almost \$35,000 in overpayments to 23 employees for inmate supervision, and we recommended that Corrections recover the overpayments from the employees.	35,000

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2009-043 (November 2009)	<b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements</b>	
	Increased Revenue—The Pilot Commissioners Board did not receive all revenues for the surcharge to fund training new pilots, as required by law. By collecting these fees, we calculated that the Pilot Commissioners Board will collect an additional \$8,640 annually based on the current surcharge of \$9 per trainee.	\$9,000
	Cost Savings—The Pilot Commissioners Board offers free parking to employees, which may constitute a misuse of state resources. By cancelling its lease for parking, the board will save the total value of the lease, \$4,760 over the course of a year. Additionally, if the Pilot Commissioners Board ceases reimbursing pilots for business-class airfare when they fly for training, we believe that it will incur a savings in the future. We believe these future savings will be approximately \$30,000 annually.	5,000 30,000
<b>Annualized Carry Forward for July 1, 2009, Through June 30, 2010</b>		<b>\$172,406,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services <sup>§</sup>	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services <sup>§</sup>	4,600,000
I2004-2 (September 2004)	Department of Health Services <sup>§</sup> (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services <sup>§</sup>	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife <sup>‡</sup> (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
<b>Total for January 1, 2009, Through June 30, 2009</b>		<b>\$87,441,500</b>
<b>Total One-Time Benefits for January 1, 2009, Through June 30, 2009</b>		<b>\$694,000</b>
I2009-1 (April 2009) (Allegation I2006-1125)	<b>Department of Fish and Game<sup>‡</sup>, Office of Spill Prevention and Response: Investigations of Improper Activities by State Employees</b>	
	Cost Recovery—A high level official formerly with the Office of Spill Prevention and Response of Fish and Game incurred \$71,747 in improper travel expenses she was not entitled to receive.	\$72,000
I2009-1 (April 2009) (Allegation I2007-0909)	<b>State Compensation Insurance Fund: Investigations of Improper Activities by State Employees</b>	
	Cost Recovery—An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her \$8,314 for hours she did not work.	8,000

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I2009-1 (April 2009) (Allegation I2007-0891)	<i>Department of Corrections and Rehabilitation and Department of General Services: Investigations of Improper Activities by State Employees</i>	
	Wasted Funds—Corrections and General Services wasted \$580,000 in state funds by continuing to lease 5,900 square feet of office space that was left unoccupied for more than four years.	\$580,000
2009-042 (May 2009)	<i>Children's Hospital Program: Procedures for Awarding Grants Are Adequate, but Some Improvement Is Needed in Managing Grants and Complying With the Governor's Bond Accountability Program</i>	
	Lost Revenue—We identified interest revenues totaling \$34,000 the California Health Financing Authority (authority) did not recover from grantees on advanced funds. The authority can recover a currently unidentifiable amount of revenue if it requires grantees to place future advances of funds in interest bearing accounts. The amount of future funds that will be advanced, as opposed to disbursed for reimbursement expenditures, as well as the associated interest earnings are not predictable.	34,000
<b>Annualized Carry Forward for January 1, 2009, Through June 30, 2009</b>		<b>\$86,747,500</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$29,000,000
2002-009 (April 2003)	California Energy Markets	14,500,000
2002-118 (April 2003)	Department of Health Services <sup>§</sup>	10,000,000
2003-106 (October 2003)	State Mandates	3,800,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	10,350,000
2003-124 (August 2004)	Department of Health Services <sup>§</sup>	2,300,000
I2004-2 (September 2004)	Department of Health Services <sup>§</sup> (Allegation I2002-0853)	4,500
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	32,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	145,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	59,500
2004-113 (July 2005)	Department of General Services	593,000
2004-134 (July 2005)	State Athletic Commission	16,500
2004-125 (August 2005)	Department of Health Services <sup>§</sup>	5,150,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	96,500
I2006-1 (March 2006)	Department of Fish and Wildlife <sup>‡</sup> (Allegation I2004-1057)	4,150,000
2007-037 (September 2007)	Department of Housing and Community Development	19,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	25,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	6,500
2007-122 (June 2008)	Department of Health Care Services	6,500,000

**Benefits identified prior to 2009, but have annualized carry forward values**

2002-101 (July 2002)	<i>California Department of Corrections<sup>ll</sup>: A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management's Control</i>	
	Cost Savings—We estimate that Corrections could save \$58 million if it reduces overtime costs by filling unmet correctional officer needs. This estimate includes the \$42 million we identified in our November 2001 report (2001-108). Corrections stated in its six-month response to this audit that, following our recommendation to increase the number of correctional officer applicants, it has submitted a proposal to restructure its academy to allow two additional classes each year. This action could potentially allow Corrections to graduate several hundred more correctional officers each year, thereby potentially contributing to a reduction in its overtime costs. However, any savings from this action would be realized in future periods. We estimate that Corrections could realize savings of \$14.5 million beginning in fiscal year 2005–06, with savings increasing each year until reaching \$58 million in fiscal year 2008–09.	

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2002-009 (April 2003)	<b>California Energy Markets:</b> <i>The State's Position Has Improved, Due to Efforts by the Department of Water Resources and Other Factors, but Cost Issues and Legal Challenges Continue</i>	Cost Savings—In response to an audit recommendation, Water Resources renegotiated certain energy contracts. Water Resources' consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be \$580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the \$580 million over the 20-year period the savings will be realized, which results in \$29 million annually.
2002-118 (April 2003)	<b>Department of Health Services<sup>5</sup>:</b> <i>Its Efforts to Further Reduce Prescription Drug Costs Have Been Hindered by Its Inability to Hire More Pharmacists and Its Lack of Aggressiveness in Pursuing Available Cost-Saving Measures</i>	Cost Savings—The Department of Health Services (Health Services) estimated that it could save \$20 million annually by placing the responsibility on the pharmacists to recover \$1 copayments they collect from each Medi-Cal beneficiary filling a prescription. We estimate the State could begin to receive these savings each year beginning in fiscal year 2003–04.
2003-125 (July 2004)	<b>California Department of Corrections<sup>11</sup>:</b> <i>More Expensive Hospital Services and Greater Use of Hospital Facilities Have Driven the Rapid Rise in Contract Payments for Inpatient and Outpatient Care</i>	Cost Savings—The potential for Corrections to achieve some level of annual savings appears significant if it could negotiate cost-based reimbursement terms, such as paying Medicare rates, in its contracts with hospitals. We estimated potential savings of at least \$20.7 million in Corrections' fiscal year 2002–03 inmate hospital costs. Specifically, had Corrections been able to negotiate contracts without its typical stop-loss provisions that are based on a percent discount from the hospitals' charges rather than costs, it might have achieved potential savings of up to \$9.3 million in inpatient hospital payments in fiscal year 2002–03 for the six hospitals we reviewed that had this provision. Additionally, had Corrections been able to pay hospitals the same rates as Medicare—which bases its rates on an estimate of hospital resources used and their associated costs—it might have achieved potential savings of \$4.6 million in emergency room and \$6.8 million in nonemergency room outpatient services at all hospitals in fiscal year 2002–03. Recognizing that Corrections will need some time to negotiate cost-based reimbursement contract terms, we estimate that it could begin to realize savings of \$20.7 million annually in fiscal year 2005–06.
2003-124 (August 2004)	<b>Department of Health Services<sup>5</sup>:</b> <i>Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program</i>	Cost Savings—Represents the savings Health Services would have achieved in fiscal year 2002–03 had it paid only the amount specifically authorized by law for the Medical Therapy Program. Of the total, \$3.6 million relates to the full funding of county positions responsible for coordinating services provided by special education programs; \$774,000 relates to Health Services' method for sharing Medi-Cal payments with counties; and \$254,000 relates to Health Services' failure to identify all Medi-Cal payments made to certain counties. This monetary cost savings value will carry forward through fiscal year 2011–12.
I2004-2 (September 2004) (Allegation I2002-0853)	<b>Department of Health Services<sup>5</sup>:</b> <i>Investigations of Improper Activities by State Employees</i>	Cost Savings/Avoidance—We found that managers and employees at Health Services' Medical Review Branch office in Southern California regularly used state vehicles for their personal use. We estimate Health Services could save an average of \$9,260 each year because its employees no longer use state vehicles for personal use.
I2004-2 (September 2004) (Allegation I2002-1069)	<b>Military Department:</b> <i>Investigations of Improper Activities by State Employees</i>	Cost Savings/Avoidance—We found that the Military Department improperly granted employees an increase in pay they were not entitled to receive. Because Military has returned all the overpaid employees to their regular pay levels, it should be able to save approximately \$64,200 each year.
2004-105 (October 2004)	<b>Department of Corrections<sup>11</sup>:</b> <i>Although Addressing Deficiencies in Its Employee Disciplinary Practices, the Department Can Improve Its Efforts</i>	Cost Savings—Corrections could save as much as \$290,000 annually by using staff other than peace officers to fill its employment relations officer positions.

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I2005-1 (March 2005) (Allegation I2003-0834)	<p><b>Department of Corrections<sup>II</sup>: Investigations of Improper Activities by State Employees</b></p> <p>Cost Recovery/Cost Savings—In violation of state regulations and employee contract provisions, Corrections paid 25 nurses at four institutions nearly \$238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save \$119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate.</p>	
2004-033 (May 2005)	<p><b>Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies</b></p> <p>Cost Savings/Avoidance—In a prior audit, we had noted that opportunities existed for General Services to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State \$5.1 million annually.</p> <p>Cost Recovery—As we recommended, Health Services<sup>S</sup> identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly \$2.5 million in net overpayments that resulted from its error.</p>	
2004-113 (July 2005)	<p><b>Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs</b></p> <p>Cost Savings/Avoidance—General Services expects that the new, more competitive contracts it awarded for January 2006 through December 2008 should save the State about \$2.3 million each year. Cost savings reflect six months—January through June 2006.</p> <p>Increased Revenue—General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling \$36,000 per year.</p> <p>Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees.</p>	
2004-134 (July 2005)	<p><b>State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered</b></p> <p>Increased Revenue—If the Athletic Commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of \$33,300 more per year.</p>	
2004-125 (August 2005)	<p><b>Department of Health Services<sup>S</sup>: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements</b></p> <p>Increased Revenue—We estimate that California school districts would have received at least \$53 million more in fiscal year 2002–03 if all school districts had participated in the program and an additional \$4 million more if certain participating schools had fully used the program. A lack of program awareness was among the reasons school districts cited for not participating. By stepping up outreach, we believe more schools will participate in the program and revenues will continue to increase. However, because participation continued to increase between fiscal years 2002–03 and 2004–05, the incremental increase in revenue will be less than it was in fiscal year 2002–03. Taking into account this growth in participation and using a trend line to estimate the resulting growth in revenues, we estimate that revenues will increase by about \$10.3 million per year beginning in fiscal year 2005–06.</p>	
I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	<p><b>Department of Corrections<sup>II</sup>: Investigations of Improper Activities by State Employees</b></p> <p>Cost Recovery—Corrections failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In addition to recovering past payments totaling \$365,500, Corrections can save \$192,500 annually by discontinuing this practice.</p>	



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12006-1 (March 2006) (Allegation 12004-1057)	<b>Department of Fish and Game<sup>‡</sup>: Investigations of Improper Activities by State Employees</b> Increased Revenue—Fish and Game allowed several state employees and volunteers to reside in state-owned homes without charging them rent, consequently providing gifts of public funds. A subsequent housing review conducted by the Department of Personnel Administration demonstrated that all 13 state departments that own employee housing may be underreporting or failing to report housing fringe benefits. As a result, the State could increase revenues as much as \$8.3 million by charging fair-market rents.	
2007-037 (September 2007)	<b>Department of Housing and Community Development: Awards of Housing Bond Funds Have Been Timely and Complied With the Law, but Monitoring of the Use of Funds Has Been Inconsistent</b> Lost Revenue—Excessive advances are provided without consideration for interest earnings the State could receive. Without corrective action, this loss could continue for the life of the program.	
12008-1 (April 2008) (Allegation 12006-0665)	<b>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b> Wasted Funds—Corrections leased 29 parking spaces at a private parking facility but did not use them.	
12008-1 (April 2008) (Allegation 12006-1040)	<b>Department of Social Services: Investigations of Improper Activities by State Employees</b> Cost Recovery/Cost Savings—Social Services improperly paid contractors for overhead costs that violated state policy. Social Services also will avoid these improper payments totaling about \$13,000 annually in the future.	
2007-122 (June 2008)	<b>Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal</b> Cost Recovery—Health Care Services has identified overbilling to Medi-Cal by equipment providers. We estimated Health Care Services has overpaid providers by approximately \$13 million during the period from October 2006 through September 2007. This is a one-time cost recovery to Health Care Services if they collect all overpayments. Cost Savings—If Health Care Services implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid \$13 million in overpayments annually.	
2008-103 (November 2008)	<b>California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources</b> Cost Savings—We identified parking spaces maintained by the Unemployment Insurance Appeals Board (board) for which the board had little assurance were being used for their intended and allowable purposes. In March 2009 the board eliminated 31 of its 35 parking spaces, which will save \$61,000 annually. We are showing a benefit of \$20,000 for the remainder of fiscal year 2008–09.	

\* This table covers an eight-year span and several departments have undergone name changes. To be consistent, we use each department's current name throughout the table.

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

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

§ On July 7, 2007, the Department of Health Services was reorganized and became two departments—the Department of Health Care Services and the Department of Public Health.

|| On July 1, 2005, the governor reorganized all departments under the Youth and Adult Correctional Agency, including the Department of Corrections, into the California Department of Corrections and Rehabilitation.