

Report 2018-406 S

Implementation of State Auditor's Recommendations

**Special Report to
Senate Budget Subcommittees**

Reports Released From January 2016
Through December 2017

COMMITMENT

INTEGRITY

LEADERSHIP





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621 Capitol Mall, Suite 1200 | Sacramento | CA | 95814



916.445.0255 | TTY 916.445.0033



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February 6, 2018

2018-406 S

Dear Members of the Senate Budget & Fiscal Review Committee:

The California State Auditor (State Auditor) presents this special report for the legislative budget subcommittees, which summarizes audit and investigation reports we issued from January 2016 through December 2017. The purpose of this report is to assist the Senate Budget & 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, 2017. 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 & Fiscal Review Subcommittees. For example, the section for the Senate Subcommittee 1 on Education identifies report recommendations our office made on issues ranging from the availability of library services in public schools to the budgeting and contracting policies of the University of California Office of the President. The section for Senate Subcommittee 5 on Public Safety identifies report recommendations on issues ranging from CalGang Criminal Intelligence System to the issuance of licenses for carrying concealed weapons.

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 under the "Publications" tab.

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

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from reports we issued during the period January 1, 2010, through December 31, 2017. 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 \$1.7 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending.

For example, in our April 2017 on an audit of the Department of Motor Vehicles' (DMV) disabled person parking placard program, we reported that the DMV does not sufficiently ensure that applications for placards or plates are legitimate and identified several improvements the DMV and the Legislature can make that will reduce fraud and misuse or increase revenue. We recommended that the DMV assist local parking enforcement officials by informing them of the ability to increase its placard misuse penalty by an additional \$100 because state law allows local governments to pass ordinances to increase such penalties by \$100 per citation. We estimated that Los Angeles alone might have raised nearly \$190,000 in additional revenue for placard enforcement while also deter placard misuse.

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 Deputy State Auditor of Operations, 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 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 Unified) 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 Unified should reassess its process for determining whether students require mental health services through an IEP and make any necessary improvements to that process.	Fully Implemented	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
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 Unified should develop a process to ensure that IEP teams record these reasons in student IEP documents.	Partially Implemented	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 Unified) should develop a process to ensure that IEP teams record these reasons in student IEP documents.	Fully 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.	Fully 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 (South East) should develop a process to ensure that IEP teams record these reasons in student IEP documents.	Fully 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.	Will Not Implement	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 Unified 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	Long Beach Unified School District

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure that it complies with federal and state requirements, Mt. Diablo Unified 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	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.	Fully Implemented	South East Consortium SELPA
14. To better understand the effectiveness of the mental health services in its special education program, Long Beach Unified 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 Unified should use the six performance indicators we identified to perform analysis annually on the subset of students receiving mental health services.	Fully Implemented	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 Union High School District (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
19. The Legislature should amend state law to require counties to enter into agreements with SELPAs to allow SELPAs and their LEAs to access Early and Periodic Screening, Diagnostic, and Treatment (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.	Resolved	Department of Education
22. To ensure that all staff it hires are qualified to provide mental health services, Long Beach Unified 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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
23. To ensure that the licensed staff it hires are qualified at the time of hire and throughout their employment, Mt. Diablo Unified should follow its formal procedures to ensure that staff possess required licenses when hired and that their licenses remain current while employed.	Fully 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 Unified 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	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 Unified 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. 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.	Will Not Implement	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.	Partially Implemented	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.	Partially Implemented	University of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	No Action Taken	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.	Pending	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.	Partially Implemented	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
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.	Partially Implemented	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.	Partially Implemented	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.	Partially Implemented	University of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Pending	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.	Pending	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.	Fully Implemented	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.	Fully 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.	Pending	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.	Fully Implemented	University of California

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
1. To ensure that Los Angeles Unified School District (Los Angeles Unified) is adequately monitoring compliance with key time frames of its reassignment policy, by April 2017 it should 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. Los Angeles Unified 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.	Fully Implemented	Los Angeles Unified School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To avoid significant delays in returning reassigned teachers to work, by April 2017 Los Angeles Unified should develop written procedures to guide staff in identifying appropriate placement options. These procedures should include time frames by which relevant Los Angeles Unified 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 Los Angeles Unified meets with the teacher to discuss the teacher's placement preferences.	Fully Implemented	Los Angeles Unified School District
3. To improve the consistency of its formal reassignments, by April 2017 Los Angeles Unified should 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. Los Angeles Unified's evaluation tool should consider factors such as a teacher's prior behavior, the vulnerability of affected students, and the complexity of the allegations.	Fully Implemented	Los Angeles Unified School District
4. To minimize the number of reassignment investigations unnecessarily referred to its Investigation Team, by April 2017 Los Angeles Unified should 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, Los Angeles Unified should continue to closely monitor the local administrator's activities until its preliminary investigation is complete.	Fully Implemented	Los Angeles Unified School District
5. To ensure that local administrators are providing appropriate and consistent information to reassigned teachers regarding the reasons for their reassignments, by April 2017 Los Angeles Unified should 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.	Fully Implemented	Los Angeles Unified School District
6. To ensure that it clearly informs reassigned teachers that they may voluntarily pursue professional development during their reassignments, including online training through Los Angeles Unified's Learning Zone program, by April 2017 Los Angeles Unified should revise the language in its standard reassignment documents.	Fully Implemented	Los Angeles Unified School District
7. To ensure that substitutes do not exceed assignment time limits that state law and regulations have established, by April 2017 Los Angeles Unified should formalize its recent practice of reviewing assignments of substitutes in its Smart Find system weekly. As part of this formalized practice, Los Angeles Unified should review open teacher reassignments to ensure that the Smart Find system includes all substitute assignments for those teachers.	Fully Implemented	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 (Chancellor's Office) to determine how to recover those funds from ACTA.	Partially Implemented	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.	Fully Implemented	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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To ensure that LEAs develop sound contract agreements with apprenticeship programs, the Chancellor's Office and the Department of Industrial Relations Division of Apprenticeship Standards 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.	Fully Implemented	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.	Legislation Enacted	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 School Library Standards for California Public Schools, Kindergarten Through Grade Twelve (model standards), the Legislature should define the minimum level and types of library services that schools must provide.	Legislation Vetoed	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 Teacher Credentialing and the county offices of education to address classified staff who perform duties that require certification.	No Action Taken	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	Redlands Unified School District
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.	Fully Implemented	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.	Fully Implemented	Woodlake Unified School District

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	Tulare County Office of Education
18. To strengthen its monitoring of staff assignments, the California Commission on Teacher Credentialing (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	Commission on Teacher Credentialing
19. 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 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.	Fully Implemented	Department of Education
20. 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 use its directory of school districts to notify administrators about the annual school library survey and remind them that participation is mandatory.	Fully Implemented	Department of Education
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.	Fully Implemented	Department of Education
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.	Will Not Implement	Department of Education
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.	Will Not Implement	Department of Education

Report Number 2016-109

Uniform Complaint Procedures: The California Department of Education's Inadequate Oversight Has Led to a Lack of Uniformity and Compliance in the Processing of Complaints and Appeals (January 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure the requirements of the uniform complaint procedures (UCP) are consistent for complaints and appeals Education handles, the Legislature should codify the UCP regulations to, among other things, prescribe consistent time frames for completing all investigations of complaints and reviews of appeals by Education.	No Action Taken	Legislature
2. To ensure the requirements of the UCP are consistent for complaints and appeals Education handles, the Legislature should codify the UCP regulations to, among other things, identify a consistent time limit for filing UCP complaints.	No Action Taken	Legislature
3. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should distribute complaints and appeals to the correct divisions for investigation or review.	Will Not Implement	Department of Education
4. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should establish a single database to record and track all investigations of complaints and reviews of appeals. This database should capture all data necessary for Education to effectively make informed decisions related to UCP complaints or appeals. At a minimum, the database should capture the date on which Education received each complaint or appeal, the date on which it forwarded the complaint or appeal to the appropriate division for investigation or review, and the date on which it sent the decision to the complainant. The database should also include the type of complaint or appeal, the LEA involved, and the decision.	Pending	Department of Education
5. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should track the divisions' progress in processing complaints and appeals to ensure the divisions meet all UCP requirements, including documenting exceptional circumstances that constitute good cause for extending investigations beyond 60 days.	Will Not Implement	Department of Education
6. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should work with divisions to establish policies and procedures for the divisions to follow when investigating UCP complaints and reviewing appeals. The procedures should identify the individuals or units responsible for investigating complaints and reviewing appeals, the steps and time frames for conducting investigations and reviews, the requirements for issuing decisions, and the documentation that should be retained in the files.	Pending	Department of Education
7. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should establish and distribute a standard investigation report format that includes the required elements for the divisions to use when processing UCP complaints.	Will Not Implement	Department of Education
8. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should monitor the divisions' decisions and reports on complaints and appeals to ensure that they comply with requirements.	Pending	Department of Education

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. To ensure that its regulations are consistent and align with state and federal requirements, by July 2017 Education should initiate revising its regulations to require its divisions to complete investigations of complaints and reviews of appeals related to all programs within 60 days of Education receiving them, including providing its decisions in writing to complainants, unless otherwise specified in statute or federal regulations.	Will Not Implement	Department of Education
10. To ensure that its regulations are consistent and align with state and federal requirements, by July 2017 Education should initiate revising its regulations to allow Nutrition Services to investigate all complaints as direct intervention.	Will Not Implement	Department of Education
11. To ensure that it complies with UCP regulations and makes complainants aware of the outcome of investigations, beginning February 2017 Nutrition Services should provide them with investigation reports, even when the complainants request anonymity from the LEAs involved.	Fully Implemented	Department of Education
12. To emphasize LEAs' ability to use alternative methods to resolve complaints, including mediation, alternative dispute resolution, or restorative practices, when codifying the UCP regulations, the Legislature should specify these as possible methods for resolving complaints.	No Action Taken	Legislature
13. To make the provisions for extending investigations consistent between Education and LEAs, when codifying the UCP regulations, the Legislature should allow LEAs to extend investigations. Specifically, in the absence of an agreement from the complainant, allow LEAs to extend an investigation under exceptional circumstances that constitute good cause if the LEAs document and support with evidence the reasons for the extensions.	No Action Taken	Legislature
14. To minimize the number of complaints it receives through the UCP process that do not fall within the purview of UCP regulations, Los Angeles Unified should establish a mechanism that allows specified individuals for the districts to promptly discuss with complainants how best to address their issues or complaints and to determine whether their complaints fall under the purview of the UCP before they file complaints.	Fully Implemented	Los Angeles Unified School District
15. To minimize the number of complaints it receive through the UCP process that do not fall within the purview of UCP regulations, San Juan Unified should establish a mechanism that allows specified individuals for the districts to promptly discuss with complainants how best to address their issues or complaints and to determine whether their complaints fall under the purview of the UCP before they file complaints.	Fully Implemented	San Juan Unified School District
16. To increase the efficiency and effectiveness of LEAs' UCP processes, Education should work with those LEAs throughout the State that receive a disproportionately high number of non-UCP complaints through the UCP process to assess the potential benefits of establishing similar mechanisms.	Will Not Implement	Department of Education
17. To ensure that it can defend its extensions of complaint investigations that are authorized by existing UCP regulations, Los Angeles Unified should obtain agreements from complainants before extending investigations beyond the required 60 days.	Fully Implemented	Los Angeles Unified School District
18. To ensure that it can defend its extensions of complaint investigations that are authorized by existing UCP regulations, San Diego Unified School District (San Diego Unified) should obtain agreements from complainants before extending investigations beyond the required 60 days.	Fully Implemented	San Diego Unified School District
19. To ensure that it can defend its extensions of complaint investigations that are authorized by existing UCP regulations, San Juan Unified should obtain agreements from complainants before extending investigations beyond the required 60 days.	Fully Implemented	San Juan Unified School District
20. To ensure its decisions are clear and comply with state regulations, San Juan Unified should include in its investigation reports all required elements, including clear conclusions of law and corrective actions with specific actions and timelines for completion. If it believes the requirements in UCP regulations are not clear, San Juan Unified should seek guidance from Education.	Fully Implemented	San Juan Unified School District
21. To ensure that it meets the legally required time frames for remedying issues alleged in Williams complaints, Los Angeles Unified's Educational Equity Compliance Office should work closely with the divisions responsible for addressing issues in the Williams complaints to ensure they are completed within the required time frame. Further, it should ensure that it maintains the appropriate documentation to demonstrate that it complied with requirements for remedying the issues in Williams complaints within 30 working days.	Fully Implemented	Los Angeles Unified School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
22. To ensure that its regulations are consistent and align with state and federal requirements, Education should revise its regulations to allow LEAs to extend investigations under exceptional circumstances that constitute good cause if the LEAs document and support with evidence the reasons for the extensions.	Pending	Department of Education
23. After it makes the recommended regulatory changes to allow extensions under exceptional circumstances, Education should review LEAs' extensions to investigations as part of its Federal Program Monitoring to ensure that LEAs' documentation is sufficient and that their reasons adequately justify such extensions.	Pending	Department of Education
24. To ensure that all charter schools comply with state law and regulations related to the UCP, to the extent a charter school engages in programs that are subject to UCP, Education should by July 2017 include LEA-authorized charter schools as part of its selection of LEAs when conducting Federal Program Monitoring reviews.	Pending	Department of Education
25. To ensure that all charter schools comply with state law and regulations related to the UCP, to the extent a charter school engages in programs that are subject to UCP, San Diego Unified should by June 2017 establish procedures to include a review of translation requirements during its monitoring of UCP policies, procedures, and complaint forms at its charter schools.	Fully Implemented	San Diego Unified School District
26. To ensure that all charter schools comply with state law and regulations related to the UCP, to the extent a charter school engages in programs that are subject to UCP, Los Angeles Unified should by June 2017 revise its review procedures to verify that all charter schools' policies and procedures meet the requirements of UCP regulations, including required content, during its monitoring reviews. Los Angeles Unified should implement these revised procedures for oversight beginning in the 2017-18 school year.	Pending	Los Angeles Unified School District
27. To ensure it examines sufficient review samples to detect LEAs' noncompliance with UCP laws and regulations, Education should revise its UCP monitoring criteria by July 2017 to increase its random selection of complaint files at each LEA to a minimum of 10 percent or 10 complaint files, whichever is greater.	Pending	Department of Education
28. Education should revise UCP regulations to formally establish uniform time limits for filing all types of complaints.	No Action Taken	Department of Education
29. To ensure it complies with its UCP procedures, San Diego Unified should by March 2017 establish additional measures to verify it sends its final investigation reports in the languages in which the complainants submit their complaints.	Fully Implemented	San Diego Unified School District

Report Number 2016-114

College Readiness of California's High School Students: The State Can Better Prepare Students for College by Adopting New Strategies and Increasing Oversight (February 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. If the Legislature wishes to further prioritize students' completion of college preparatory coursework, it should help ensure grade nine students are ready for the challenge of such work by devoting additional resources or reallocating existing resources for educational efforts beginning in kindergarten and continuing through grade eight, particularly to support math and English college readiness. Funding mechanisms similar to the College Readiness Block Grant could help better prepare kindergarten through grade eight students for the rigors of college preparatory coursework in high school.	No Action Taken	Legislature
2. To ensure that school districts (districts) throughout the State comply with existing law, the Legislature should require districts to conduct analyses to verify that all high school students receive acceptable levels of access to the full range of college preparatory coursework. If the Legislature decides to require these analyses, it should also consider whether additional funding may be necessary to support the districts' associated administrative costs. If implemented, the analyses should require the following components: <ul style="list-style-type: none"> • Districts should report the results of their analyses to Education. • Education should issue an annual report to the Legislature detailing all districts with high schools that have failed to demonstrate sufficient access. 	No Action Taken	Legislature

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To increase students' access to and completion rates of college preparatory coursework, districts should develop and institute an on track/off track student identification model similar to San Francisco's model that will allow them to determine whether students are completing grade-level college preparatory coursework. The districts should notify parents when they identify students as falling off track and should advise the parents and students of available support and credit recovery options. Furthermore, school staff should be required to meet with and document the support they provide to these students.	Pending	Coachella Valley Unified School District
4. To increase students' access to and completion rates of college preparatory coursework, districts should develop and institute an on track/off track student identification model similar to San Francisco's model that will allow them to determine whether students are completing grade-level college preparatory coursework. The districts should notify parents when they identify students as falling off track and should advise the parents and students of available support and credit recovery options. Furthermore, school staff should be required to meet with and document the support they provide to these students.	Pending	Stockton Unified School District
5. To increase students' access to and completion rates of college preparatory coursework, districts should create a robust and stable network of credit recovery options that reflect the needs of their student populations. These options—which the districts should monitor for effectiveness—should include summer school courses and evening courses.	Pending	Coachella Valley Unified School District
6. To increase students' access to and completion rates of college preparatory coursework, districts should create a robust and stable network of credit recovery options that reflect the needs of their student populations. These options—which the districts should monitor for effectiveness—should include summer school courses and evening courses.	Pending	Stockton Unified School District
7. To increase students' access to and completion rates of college preparatory coursework, districts should create and institute a centralized process for submitting, managing, and tracking college preparatory courses and certification requests. This process should maximize the number of certified courses that the district offers. Further, to ensure that students receive appropriate credit for their college preparatory coursework, this process should match the University's course listings with each school's master schedule of courses.	Pending	Coachella Valley Unified School District
8. To increase students' access to and completion rates of college preparatory coursework, districts should create and institute a centralized process for submitting, managing, and tracking college preparatory courses and certification requests. This process should maximize the number of certified courses that the district offers. Further, to ensure that students receive appropriate credit for their college preparatory coursework, this process should match the University's course listings with each school's master schedule of courses.	Resolved	Stockton Unified School District
9. To increase college preparatory completion rates, the Legislature should require Education or another state entity to coordinate statewide college readiness efforts focusing on increasing college preparatory completion rates.	No Action Taken	Legislature
10. To comply with existing law and ensure that students receive sufficient access to college preparatory coursework, Education should provide training and guidance to districts throughout the State on the creation and application of appropriate district- and school-level access analyses.	Partially Implemented	Department of Education
11. To ensure that high school graduates are eligible for admission to the State's public university systems, the Legislature should require county offices to monitor districts to determine whether they offer students adequate access to college preparatory coursework.	No Action Taken	Legislature
12. To ensure districts' accountability plans are accurate and informative, the Legislature should require county offices to review districts' accountability plans and monitor the actions the districts take to implement the goals in those plans.	No Action Taken	Legislature

Report Number I2017-1***Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)***

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24. San Diego State University should continue to collect repayment until the entire amount has been repaid.	Partially Implemented	California State University, San Diego

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
27. California State University, Fresno (Fresno State) should continue to implement the recommendations it made regarding the investigation. Specifically, Fresno State recommended that the library employee's supervisor and lead staff member identify alternative work that the library employee can complete while he is serving as the official library resource, instruct the library employee to limit his Internet use on his work computer during both breaks and lunch, identify online work-related training for the library employee to access during work time if he has completed all of his assigned work for that shift or has other available time during his work hours, and provide more direct supervision of the library employee to ensure that he uses his work time to benefit the needs of the library.	Fully Implemented	California State University, Fresno

Report Number 2016-117

Alliance College-Ready Public Schools: The Nonprofit Did Not Spend Public Funds or Divert Classroom Resources in Response to Unionization Efforts (April 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure it complies with federal laws regarding student privacy, Alliance College-Ready Public Schools (Alliance) should document its revised process for collecting, tracking, and monitoring the list of Alliance students and families who have opted out of sharing their directory information with third parties.	Fully Implemented	Alliance College-Ready Public Schools
2. Alliance should standardize its data-sharing agreements so that each agreement contains robust and specific language regarding data security and the confidentiality of the data being shared.	Fully Implemented	Alliance College-Ready Public Schools
3. The Alliance home office should update and formalize its procurement policies and procedures manual to establish competitive bidding thresholds for the procurement of goods and services, and it should provide adequate training to appropriate staff before the start of the 2017-18 school year.	Fully Implemented	Alliance College-Ready Public Schools
4. The Alliance home office should update and formalize its procurement policies and procedures manual to require both the Alliance home office and charter schools to retain contract records for at least five years, and it should provide adequate training to appropriate staff before the start of the 2017-18 school year.	Fully Implemented	Alliance College-Ready Public Schools
5. The Alliance home office should update and formalize its procurement policies and procedures manual to establish adequate segregation of duties for procurements to mitigate the risk of fraud and abuse, and it should provide adequate training to appropriate staff before the start of the 2017-18 school year.	Fully Implemented	Alliance College-Ready Public Schools
6. The Alliance home office should update and formalize its procurement policies and procedures manual to obtain and retain vendor conflict-of-interest forms, and it should provide adequate training to appropriate staff before the start of the 2017-18 school year.	Fully Implemented	Alliance College-Ready Public Schools

Report Number 2016-122

California State University: Stronger Oversight Is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets (April 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To improve the oversight of California State University's (CSU) management personnel, the CSU Chancellor's Office (Chancellor's Office) should develop a policy that requires its own divisions and departments and campuses to prepare written justifications for both the purpose and specific number of proposed additional management positions. As appropriate, these should justify the number of management personnel positions to be hired based on a workload staffing analysis and the number of people to be supervised. The Chancellor's Office should also require human resources units to maintain these justifications and make them publicly available to stakeholders when requested. No later than one year following the issuance of this new policy, the Chancellor's Office should begin monitoring its own divisions and departments and campuses to ensure that they are properly justifying all new management personnel hires.	Pending	California State University

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To improve the oversight of CSU's management personnel, the Chancellor's Office should ensure that its own divisions and departments and campuses create, implement, and adhere to a written merit evaluation plan for management personnel in accordance with state regulations. Furthermore, the Chancellor's Office should monitor its own divisions and departments and campuses to ensure that they are complying with their merit evaluation plans and are granting raises to management personnel only based on merit as evidenced by current, documented performance evaluations.	Pending	California State University
3. To improve the oversight of CSU's management personnel, the Chancellor's Office should work with campuses, bargaining unit representatives, the Public Employment Relations Board, and others as necessary to come to an agreement on the appropriate classification of coaches. The Chancellor's Office should take into account the concerns that San Diego State has raised about the labor market for these employees.	Pending	California State University
4. To improve its budget oversight of CSU, the Legislature should require CSU to submit an annual report that provides information on specific activities that CSU engaged in during the previous year to meet the State's goals for student success.	No Action Taken	Legislature
5. To ensure effective, consistent budget oversight at CSU campuses, the Chancellor's Office should require campuses to develop and implement budget oversight policies that define the minimum level and frequency of reviews that budget managers are required to perform, including the periodic comparison of budgets to actual spending levels, the types of corrective actions to take when they identify budget anomalies, and the retention of appropriate records of those reviews.	Fully Implemented	California State University
6. To minimize concerns regarding possible conflicts of interest, the Chancellor's Office should work with the board to develop, approve, and implement an executive compensation policy that expressly prohibits the use of foundation funds to pay campus presidents.	Fully Implemented	California State University
7. To better ensure the reasonability of the reimbursements CSU pays for relocation and moving expenses, the Chancellor's Office should, by October 2017, place an appropriate cap on the amount it will reimburse CSU executives for relocation and moving expenses, based on either a dollar amount or a percentage of base salary. If the chancellor authorizes a reimbursement amount greater than this cap, the chancellor should submit a written explanation to the board to justify the payment.	Pending	California State University
8. To better ensure the reasonability of the reimbursements CSU pays for relocation and moving expenses, the Chancellor's Office should, by October 2017, revise its policy to require campuses to place an appropriate cap on the amount they will reimburse campus staff for relocation and moving expenses, based on either a dollar amount or a percentage of base salary. If the campus president authorizes a reimbursement amount greater than this cap, the president should submit a written explanation to the chancellor to justify the payment.	Pending	California State University
9. To better ensure the reasonability of the reimbursements CSU pays for relocation and moving expenses, the Chancellor's Office should, by October 2017, follow up with the campuses to ensure that they have sufficiently complied with its policy regarding the adoption of thresholds and caps for reimbursing staff for relocation and moving expenses and that those thresholds and caps are reasonable. If necessary, the Chancellor's Office should provide more exact guidance to the campuses on how to establish these thresholds and caps.	Pending	California State University
10. The Chancellor's Office should finish developing the Common Human Resources System and implement it as scheduled by December 2019.	Pending	California State University
11. Once it receives the results of its consultant's study on executive compensation, the Chancellor's Office should collaborate as soon as possible with interested parties, such as the Legislative Analyst's Office, to develop methodologies for future compensation comparisons that consider total compensation.	Pending	California State University
12. Within six months, the Chancellor's Office should revise its policy to clarify when campuses need to obtain indemnifications from management personnel who will be on paid administrative leave and should begin monitoring campuses to ensure that they are adhering to its policy.	Pending	California State University
13. Within six months, the Chancellor's Office should begin monitoring campuses to ensure that they are complying with the faculty bargaining unit requirements for disclosing outside employment.	Resolved	California State University

Report Number 2016-130

The University of California Office of the President: It Failed to Disclose Tens of Millions in Surplus Funds, and Its Budget Practices Are Misleading (April 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that the Office of the President's actions align with the university's primary mission, the Legislature should appropriate an amount directly to the Office of the President through the annual state budget process that eliminates the need for a campus assessment. Based on the Office of the President's actions as it implements its three-year plan, evaluate the amount of the direct appropriation annually. Once the Office of the President has completed the three-year plan, evaluate the necessity of a continued direct appropriation after assessing the strength of the Office of the President's new budget, accounting, and staffing policies, as well as its demonstrated commitment to ongoing transparency.</p>	Legislation Enacted	Legislature
<p>2. To ensure that the Office of the President's actions align with the university's primary mission, the Legislature should do the following:</p> <ul style="list-style-type: none"> • From the funds appropriated, require the Board of Regents (regents) to contract with an independent third party that can assist the regents in monitoring the three-year corrective action plan for the Office of the President. The Legislature should hold annual hearings that include a status report by the independent third party regarding the Office of the President's progress, challenges, and barriers to success in implementing the three-year corrective action plan. 	Resolved	Legislature
<p>3. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should document and review the restrictions on its funds and fund commitments to determine whether it can reallocate any of these funds to its discretionary budget for eventual reallocation to campuses.</p>	Pending	University of California
<p>4. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should develop a reserve policy that governs how large its reserves should be and the purposes for which they can be used.</p>	Pending	University of California
<p>5. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should implement our recommended budget presentation shown in Figure 11 on page 40. Specifically, the Office of the President's budget presentation to the regents should include a comparison of its proposed budget to its actual expenditures for the previous year. It should also include all its expenditures and identify changes to the discretionary and restricted reserves. The Office of the President should combine both the disclosed and undisclosed budgets into one budget presentation.</p>	Pending	University of California
<p>6. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should increase opportunities for campus stakeholder involvement in the budget development process by reconvening the campus budget committee and establishing an agreed-upon charter that describes the committee's scope, role, and protocol for reviewing and providing comments on the Office of the President's annual budget.</p>	Fully Implemented	University of California
<p>7. To ensure the ongoing accountability of the Office of the President, the regents should require it to implement our recommendations and report periodically on its progress.</p>	Pending	University of California Board of Regents
<p>8. To ensure that the Office of the President's spending aligns with the needs of campuses and students, the regents should hold a public meeting to discuss the results of the Office of the President's review of its fund restrictions and funding commitments, as well as its proposal to reallocate funds to campuses.</p>	Pending	University of California Board of Regents
<p>9. To ensure that the Office of the President's financial safeguards are adequate, the regents should require the Office of the President to engage in a financial audit of only the Office of the President's operations.</p>	Pending	University of California Board of Regents
<p>10. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should develop a method for weighing comparable public and private sector pay data when establishing salaries for all positions.</p>	Pending	University of California

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should determine how to restructure salary ranges to make certain the ranges encourage employee development and ensure pay equity.	Pending	University of California
12. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should evaluate and identify needed changes in employee benefit policies to ensure that they include reasonable safeguards to control costs.	Partially Implemented	University of California
13. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should complete phase one of CalHR's best-practice workforce planning model by developing a strategic direction for its workforce plan.	Pending	University of California
14. To ensure that the Office of the President's staffing levels are justified and that costs are reasonable and align with the needs of campuses and other stakeholders, the regents should require the Office of the President to implement our recommendations and report periodically on its progress.	Pending	University of California Board of Regents
15. To ensure that the Office of the President is engaging in a thorough review of its systemwide and administrative costs and implementing our recommendations, the regents should develop a contract for an independent third party that can assist the regents in monitoring implementation of the three-year corrective action plan for the Office of the President. The independent third party should have expertise in higher education, public administration, and public finance. Moreover, the independent third party should have complete access to the Office of the President's documentation and its staff so that it has sufficient and appropriate information to verify the Office of the President's actions. The independent third party should report to the regents on the Office of the President's progress, challenges, and barriers to success at least quarterly.	Partially Implemented	University of California Board of Regents
16. To ensure that the Office of the President is engaging in a thorough review of its systemwide and administrative costs and implementing our recommendations, the regents should hold a public meeting that includes university stakeholders, including campuses and students, to discuss the purpose, intent, and prioritization of each systemwide and presidential initiative in light of campus funding levels for students. Require the Office of the President to publish the results of this meeting, including any systemwide or presidential initiatives that are eliminated or scaled down and the amount of money that will be reallocated to campuses for students.	Pending	University of California Board of Regents
17. To ensure that the Office of the President is engaging in a thorough review of its systemwide and administrative costs and implementing our recommendations, the regents should require the Office of the President to implement our recommendations and report periodically on its progress in doing so.	Pending	University of California Board of Regents
18. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2018 the Office of the President should develop and use a clear definition of systemwide initiatives and administration to ensure consistency in future budgets.	Pending	University of California
19. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2018 the Office of the President should develop a comprehensive list of systemwide initiatives and presidential initiatives, including their purpose and actual cost that will be used in the regents' meeting previously recommended.	Pending	University of California
20. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2019 the Office of the President should publish the results of its review of fund restrictions and fund commitments and identify any funds it anticipates reallocating to campuses.	Pending	University of California
21. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2019 the Office of the President should implement the best practices for budgeting identified by the Government Finance Officers Association (GFOA) and the National Association of College and University Business Officers (NACUBO), including developing budget policies and procedures and formally documenting, approving, and justifying all one-time and unexpected expenditure requests.	Pending	University of California
22. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2019 the Office of the President should continue to present a comprehensive budget based on the presentation in Figure 11 to the regents, the Legislature, and the public.	Pending	University of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
23. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should set targets for any needed reductions to salary amounts using the results from its public and private sector comparison and adjust its salaries accordingly.	Pending	University of California
24. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should narrow its salary ranges.	Pending	University of California
25. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should set targets for appropriate employee benefits and implement new processes that ensure that employees adhere to the revised policies regarding employee benefits.	Partially Implemented	University of California
26. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should create a plan for reallocating funds that it saves to campuses as it reduces its staffing costs.	Pending	University of California
27. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should implement phase two of CalHR's best-practice workforce planning model by determining its current and future staffing and competency gaps. As part of this phase, the Office of the President should consider the input of stakeholders, including campuses and students, regarding which elements of its organization are of critical importance and which elements it could eliminate or downsize.	Pending	University of California
28. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2019 the Office of the President should establish spending targets for systemwide initiatives and administrative costs.	Pending	University of California
29. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2019 the Office of the President should publish the results of the review of systemwide and presidential initiatives, including any funds the Office of the President anticipates reallocating to the campuses.	Pending	University of California
30. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2019 the Office of the President should restructure budget and accounting systems to ensure that the costs of the Office of the President can be clearly tracked and reported annually. Specifically, the budget and accounting systems should be able to distinguish between systemwide initiatives, presidential initiatives, and administrative costs.	Pending	University of California
31. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2020 the Office of the President should reallocate to the campuses funds that it identified during its review of fund restrictions and fund commitments.	Pending	University of California
32. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2020 the Office of the President should evaluate its budget process to ensure that it is efficient and has adequate safeguards that ensure that staff approve and justify all budget expenditures. If the Office of the President determines that its safeguards are sufficient, it should begin developing a multiyear budget plan.	Pending	University of California
33. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2020 the Office of the President should report to the regents on the amount of funds it reallocated to campuses as a result of implementing our recommendations.	Pending	University of California
34. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should adjust its salary levels and ranges to meet its established targets.	Pending	University of California
35. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should adjust its employee benefits to meet its established targets.	Pending	University of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
36. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should reallocate funds to campuses when adjustments to its salaries and benefits result in savings.	Pending	University of California
37. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should implement phase three of CalHR's best-practice workforce planning model by presenting the final workforce plan to its staff and beginning its implementation by carrying out workforce planning strategies covering a three-to five-year period. The Office of the President should make its final workforce plan publicly available.	Pending	University of California
38. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should implement phases four and five of CalHR's best practice workforce planning model by implementing its workforce plan strategies and annually evaluating the completed workforce plan strategies against defined performance indicators and revising the plan where necessary.	Pending	University of California
39. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should report to the regents on the amount of funds it reallocates to campuses as a result of implementing our recommendations.	Pending	University of California
40. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2020 the Office of the President should publicly publish its progress in meeting systemwide initiative and administrative cost targets.	Pending	University of California
41. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2020 the Office of the President should reallocate funds from the review of systemwide and presidential initiatives, as well as any administrative cost savings, to campuses.	Pending	University of California
42. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2020 the Office of the President should report to the regents on the amount of funds reallocated to campuses.	Pending	University of California

Report Number 2016-129

K-12 High Speed Network: Improved Budgeting, Greater Transparency, and Increased Oversight Are Needed to Ensure That the Network Is Providing Reliable Services at the Lowest Cost to the State (May 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To help ensure continuous network operations while preserving state resources, the Legislature should appropriate to the K-12 High-Speed Network (K12HSN) program an amount that does not exceed \$10.4 million for fiscal year 2017–18. If the Legislature wishes to appropriate a lower amount for the program, it should direct the Imperial County Office of Education (ICOE) to modify one or more of the planned network upgrades we highlight in our report, either by delaying the upgrade to a subsequent fiscal year or by pursuing a less expensive option.	Legislation Enacted	Legislature
2. To better inform decision makers at the state level about the amount of funding necessary to operate and maintain the network, ICOE should formally amend its annual budget documents by November 2017 to specify multiple potential levels of network expenditures for the coming year, and it should detail the specific network upgrades and project costs included in each scenario. As part of this process, ICOE should also provide information about how these upgrades will affect the network's functionality.	Fully Implemented	Imperial County Office of Education
3. To ensure that its projected program costs are as accurate as possible, ICOE should institute by November 2017 a formal practice for reviewing its budget planning document against its current network design plans and correct any inaccuracies before finalizing and submitting its budget.	Partially Implemented	Imperial County Office of Education
4. To help ensure that the K12HSN program maintains the necessary amount of state funds in reserve, ICOE should prepare a formal methodology for a proposed equipment reserve that is based on the actual likelihood of equipment failure and the costs associated with replacing that equipment.	Fully Implemented	Imperial County Office of Education

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>5. To ensure that it is able to continue critical network services with reduced operating reserves, ICOE should establish procedures to routinely monitor the K12HSN program's cash balance and to evaluate upcoming costs. If at any point ICOE determines that it will be unable to fund its costs due to delayed subsidy payments, it should notify Education regarding the size and timing of the anticipated shortfall and postpone significant discretionary expenditures, such as upgrading network site equipment, until ICOE collects the subsidies it is owed.</p>	Fully Implemented	Imperial County Office of Education
<p>6. To better guarantee that network upgrades are necessary and are achieved at the lowest possible cost to the State, ICOE should develop a formal methodology for reviewing circuit capacity needs. This methodology should include consideration of multiyear trends in network traffic and the implications prospective upgrades may have for other parts of the network. Doing so would not only assist ICOE when determining the magnitude of circuit upgrades relative to the cost involved, but would also help ICOE determine whether it can delay upgrades until it can establish those upgrades' eligibility for E-Rate subsidies.</p>	Partially Implemented	Imperial County Office of Education
<p>7. To provide as many options for network upgrades as possible and to help ICOE provide the most cost-effective upgrade options without risking its eligibility for subsidies, ICOE should adopt the practice of requesting bids at all feasible levels of capacity upgrades as opposed to only those levels that represent a tenfold increase in circuit capacity.</p>	Fully Implemented	Imperial County Office of Education
<p>8. To help facilitate the review of circuit capacity needs, ICOE should maintain historical data for network traffic as long as technically feasible. It should also ensure that its monitoring software includes all network sites.</p>	Partially Implemented	Imperial County Office of Education
<p>9. To reduce the risk of having to react to large increases in network traffic, ICOE should formalize a process to include input from network site administrators during network upgrade planning.</p>	Partially Implemented	Imperial County Office of Education
<p>10. To increase transparency in the K12HSN program and help ensure that the State has sufficient information to measure the program's effectiveness, Education should direct ICOE to report annually on specific performance measures. These performance measures should include the following metrics:</p> <ul style="list-style-type: none"> • Cost per unit of capacity used. • Network bandwidth. • Frequency, duration, cause, and location of network outages or interruptions. • Latency and packet loss on network circuits. <p>Education should stipulate that the receipt of grant funds is conditional based on the recipient's agreement to provide these measures and other information deemed necessary by Education, either on request or at regular intervals determined by Education. If Education believes that it does not currently have legal authority to direct ICOE to report on this information, it should seek legislative change to obtain that authority.</p>	Pending	California Department of Education
<p>11. To better support future reporting efforts for the K12HSN program, ICOE should amend its contract with the Corporation for Education Network Initiatives in California (CENIC) to require CENIC to report on specific network performance measures, including the frequency, cause, location, and duration of network outages or interruptions.</p>	Partially Implemented	Imperial County Office of Education
<p>12. To ensure that the K12HSN program receives all of the service credits to which it is entitled, ICOE should amend its contract with CENIC to clarify CENIC's responsibilities in this area, including reporting to ICOE about network outages or interruptions and requests for credits to service providers, along with the outcomes of those requests.</p>	Partially Implemented	Imperial County Office of Education
<p>13. To ensure efficient use of state funds, ICOE should conduct a cost and benefit analysis of its memorandum of understanding with the Butte County Office of Education to determine whether it represents the most cost-effective approach to providing the program activities it covers.</p>	Pending	Imperial County Office of Education

Report Number 2016-139

California Department of Education: It Has Not Ensured That School Food Authorities Comply With the Federal Buy American Requirement (July 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To strengthen its administrative reviews and help ensure that school food authorities comply with the Buy American requirement, Education should update its written procedures to include a requirement that reviewers collect and retain evidence for all items they evaluate for compliance with the Buy American requirement. This update should occur no later than October 1, 2017.	Will Not Implement	Department of Education
2. To strengthen its administrative reviews and help ensure that school food authorities comply with the Buy American requirement, Education should update its written procedures to include guidance for how its reviewers should interpret common food labels with regard to compliance with the Buy American requirement. It should develop this guidance in consultation with the United States Department of Agriculture (USDA) and should begin working with the USDA by no later than October 1, 2017.	Partially Implemented	Department of Education
3. To comply with federal regulations and provide transparency to the public, Education should immediately post to its website a summary of the results of any administrative reviews that it has shared with the relevant school food authorities. Moving forward, it should comply with federal regulations by posting the results of administrative reviews to its website within 30 days of sharing them with school food authorities.	Pending	Department of Education
4. To ensure that school food authorities comply with the Buy American requirement, Education should develop, no later than December 31, 2017, a training course that explains to school food authorities how to comply with the Buy American requirement. Further, as soon as it develops this training, Education should make it available to all school food authorities.	Fully Implemented	Department of Education
5. To ensure that school food authorities comply with the Buy American requirement, Education should use procurement reviews or its administrative reviews to verify that school food authorities have policies and procedures that address the Buy American requirement. Further, Education should verify that these policies and procedures align with the USDA's guidance for including Buy American-related language in bid solicitations and contract documents and for maintaining exception documentation for foreign-sourced food purchases.	Pending	Department of Education
6. To help ensure that they consistently comply with the Buy American requirement, Elk Grove Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following: <ul style="list-style-type: none"> • An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts. • A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products. • A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time. • Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions. 	Partially Implemented	Elk Grove Unified School District
7. To help ensure that they consistently comply with the Buy American requirement, Fresno Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following: <ul style="list-style-type: none"> • An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts. • A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products. • A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time. • Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions. 	Fully Implemented	Fresno Unified School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>8. To help ensure that they consistently comply with the Buy American requirement, Los Angeles Unified should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> • An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts. • A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products. • A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time. • Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions. 	Partially Implemented	Los Angeles Unified School District
<p>9. To help ensure that they consistently comply with the Buy American requirement, San Diego Unified should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> • An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts. • A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products. • A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time. • Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions. 	Partially Implemented	San Diego Unified School District
<p>10. To help ensure that they consistently comply with the Buy American requirement, San Francisco Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> • An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts. • A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products. • A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time. • Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions. 	†	San Francisco Unified School District
<p>11. To help ensure that they consistently comply with the Buy American requirement, Stockton Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> • An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts. • A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products. • A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time. • Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions. 	Pending	Stockton Unified School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To ensure effective oversight of the meal programs and to increase public transparency, the Legislature should require Education to track school food authorities' purchases of foreign-sourced food items and to post to its website the school food authorities that purchase foreign-sourced food items, the types of food items they purchase, and the countries of origin of the food items they purchase.	Legislation Proposed But Not Enacted	Legislature
13. To address the challenges food labels present to ensuring that California's school food authorities purchase domestic food items, the Legislature should work with the California congressional delegation and request that Congress direct the USDA to establish a voluntary certification program through which the USDA could certify that food products are compliant with the Buy American requirement. This certification program should include an indicator, such as a certification logo, that would identify that products comply with the requirement.	No Action Taken	Legislature

Report Number 2016-125.1

The University of California Office of the President: It Has Not Adequately Ensured Compliance With Its Employee Displacement and Services Contract Policies (August 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the university maximizes the use of competition, the Legislature should revise the Public Contract Code to specify the conditions under which the university may amend contracts without competition.	Legislation Vetoed	Legislature
2. To ensure that the university maximizes the use of competition, the Legislature should revise the Public Contract Code to narrowly define the professional and personal services that the university may exempt from competitive bidding.	Legislation Vetoed	Legislature
3. To ensure that university locations adequately justify the necessity of contracts that will displace university employees, the Office of the President should actively enforce compliance with the displacement guidelines by monitoring university locations for compliance, providing regular training on the displacement guidelines to university locations, and amending the displacement guidelines to state that the Office of the President's human resources department has the authority to approve or reject displacement decisions.	Partially Implemented	University of California
4. To ensure that university locations adequately justify the necessity of contracts that will displace university employees, the Office of the President should revise contracting policies to address situations in which university locations are contemplating entering into services contracts instead of hiring university employees to perform an activity. In these situations, the Office of the President should require university locations to perform an analysis that is similar to the one it requires when current university employees are displaced.	Pending	University of California
5. To ensure that university locations adequately justify the necessity of contracts that will displace university employees, the Office of the President should ensure that staff with the necessary business and financial skills at the Office of the President review and approve the cost analyses that university locations submit.	Pending	University of California
6. To ensure that university locations adequately justify the necessity of contracts that will displace university employees, the Office of the President should revise the cost analysis requirements in the displacement guidelines to mitigate the risk of university locations incorrectly estimating savings by requiring a threshold level of savings as part of their business and financial necessity analyses and requiring that university locations periodically reevaluate the savings after the services contracts take effect to inform future contracting decisions.	Pending	University of California
7. To ensure that the university achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should direct university locations, including its own local procurement office, to implement controls to ensure staff better comply with the university's contract manual's requirements for using standard terms and conditions, obtaining the proper contract approvals, and awarding of sole-source contracts.	Pending	University of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. To ensure that the university achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should revise the university's contract manual to incorporate the best practices found in the State Contracting Manual for limiting the use of amendments to repeatedly extend existing contracts.	Pending	University of California
9. To ensure that the university achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should revise the university's contract manual to narrow the exemption from competition to only selected professional services, similar to the State Contracting Manual.	Pending	University of California
10. To ensure that the university achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should direct all university locations to implement controls in their online procurement systems to prevent staff from avoiding the requirement to competitively bid a contract when individual purchases of the same good or service accumulate to \$100,000 or more within a fiscal year.	Pending	University of California
11. To help ensure that the university will implement its central contract database for tracking and monitoring all university contracts in a timely manner, the Office of the President should develop a detailed project implementation plan by October 2017 that outlines a schedule of the specific activities that will need to occur to complete this effort.	Fully Implemented	University of California
12. To maximize benefits from the systemwide procurement initiative and to ensure that the university uses those benefits for its teaching, research, and public service missions, the Office of the President should direct all university locations to provide better documentation to substantiate actual benefits they claim related to their procurement decisions.	Pending	University of California
13. To maximize benefits from the systemwide procurement initiative and to ensure that the university uses those benefits for its teaching, research, and public service missions, the Office of the President should revise its guidance to ensure the benefits that university locations claim result from only procurement-related activities.	Pending	University of California
14. To maximize benefits from the systemwide procurement initiative and to ensure that the university uses those benefits for its teaching, research, and public service missions, the Office of the President should implement a process to centrally direct these benefits to ensure that university locations use them to support the university's core missions.	Will Not Implement	University of California
15. To maximize benefits from the systemwide procurement initiative and to ensure that the university uses those benefits for its teaching, research, and public service missions, the Office of the President should study ways to measure actual procurement benefits—possibly focusing this effort on benefits from larger dollar amounts—and if such measurement is not possible, it should clearly disclose to the regents and the public that the amounts it reports are based on estimates.	No Action Taken	University of California
16. To maximize benefits from the systemwide procurement initiative and to ensure that the university uses those benefits for its teaching, research, and public service missions, the Office of the President should, if actual benefits are measurable, implement a process to monitor and report annually to the regents the estimated and actual benefits.	No Action Taken	University of California

Report Number 2016-125.2

The University of California Office of the President: Increasing Costs and Scheduling Delays Have Hampered the UCPath Project and Originally Anticipated Savings Are Unlikely to Materialize (August 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that they are able to exercise necessary oversight for the university's significant information technology (IT) projects, the regents should develop status reporting standards for the Office of the President and all university locations to follow by December 2017. Such reporting standards should apply to all university IT projects with more than a specified cost and, at a minimum, should establish the frequency with which the Office of the President and all university locations must report to the regents. Such updates should occur at least three times per calendar year and coincide with regents' meetings to allow for oral discussion.	Pending	University of California Board of Regents

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that they are able to exercise necessary oversight for the university's significant IT projects, the regents should develop status reporting standards for the Office of the President and all university locations to follow by December 2017. Such reporting standards should apply to all university IT projects with more than a specified cost and, at a minimum, should establish the types of disclosures the Office of the President and all university locations must present about each IT project including, but not limited to, changes in scope, projected cost, and schedule.	Pending	University of California Board of Regents
3. To ensure that they are able to exercise necessary oversight for the university's significant IT projects, the regents should develop status reporting standards for the Office of the President and all university locations to follow by December 2017. Such reporting standards should apply to all university IT projects with more than a specified cost and, at a minimum, should establish the types of significant project risks the Office of the President and all university locations must disclose. The updates should also describe the actions the Office of the President and all university locations are taking to mitigate the risks and the potential effects of those risks on a project's cost, schedule, and scope.	Pending	University of California Board of Regents
4. To ensure that it fully reports the cost of the IT projects, the Office of the President should develop the cost reporting guidelines by December 2017 for UCPath and other significant IT projects across all university locations. These cost guidelines should identify cost categories at both the Office of the President and university locations to ensure that the estimates capture and communicate all development and implementation costs. In addition, the Office of the President should produce cost reports to share with stakeholders at least quarterly.	No Action Taken	University of California
5. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any university location with a cost estimate of at least \$5 million or more and should include a means to assess schedules for reasonableness, and requirements for the creation and maintenance of an integrated schedule and resource plan for each project.	Partially Implemented	University of California
6. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any university location with a cost estimate of at least \$5 million or more and should include requirements for rigorous change management processes that establish a means of assessing the implications of changes to a project's scope, cost, and schedule.	Partially Implemented	University of California
7. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any university location with a cost estimate of at least \$5 million or more and should include procedurally sound requirements for identifying, reviewing, and resolving risks to a project.	Partially Implemented	University of California
8. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any university location with a cost estimate of at least \$5 million or more and should include independent verification and validation services to oversee the technical aspects of project development.	Partially Implemented	University of California
9. The Office of the President should require that all university locations follow best practices by ensuring that each location creates a deliverable expectations document for each IT contract similar to the documents the State's management framework describes. The Office of the President should establish this requirement by December 2017. The deliverable expectations document should, at a minimum, identify the deliverables for each milestone and define the scope, content, entrance criteria, acceptance criteria, and development schedule for each deliverable.	Partially Implemented	University of California

Report Number 2016-136

School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies (August 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that students and staff are prepared to respond to violent incidents on or near school sites, the Legislature should require that safety plans include procedures, such as lockdowns, recommended by federal and state agencies. The Legislature should also require schools to hold periodic training and drills on these procedures.	No Action Taken	Legislature
2. To ensure that districts and county office of education (county offices) are complying with state law each year, the Legislature should require Education to conduct an annual statewide survey to determine whether schools have submitted plans and whether those plans have been reviewed and approved by their respective district or county office. The Legislature should also require Education to issue an annual report detailing the survey's results.	No Action Taken	Legislature
3. To ensure that districts and county offices are complying with state laws related to safety plans, the Legislature should add a requirement to the Education Audit Appeals Panel audit guide for districts and county offices to receive audits of their approval of safety plans.	No Action Taken	Legislature
4. The Legislature should require that the partnership between Education and the California Department of Justice (Justice) periodically review safety plan requirements to ensure that the plans keep pace with evolving school environments and updated educational research.	No Action Taken	Legislature
5. To ensure that districts and county offices properly review and approve safety plans as required, Education should provide additional guidance regarding district and county office responsibilities under state law by updating and correcting the safety plan compliance checklist and making it available to all districts and county offices.	Fully Implemented	Department of Education
6. To ensure that districts and county offices properly review and approve safety plans as required, Education should provide additional guidance regarding district and county office responsibilities under state law by providing general direction to schools on what to include in their building disaster plans.	Pending	Department of Education
7. To ensure that districts and county offices properly review and approve safety plans as required, Education should provide additional guidance regarding district and county office responsibilities under state law by providing information on best practices similar to those we discuss in this report for monitoring and approving safety plans.	Pending	Department of Education
8. To ensure that districts, county offices, and schools receive guidance on a variety of safety issues and to comply with state law, Education and Justice should resume their partnership activities, as required by state law. Further, the partnership should update the 2002 handbook, <i>Safe Schools: A Planning Guide for Action</i> , and distribute it to all districts and county offices. If Education or Justice determine the need for additional funds to implement the legislative recommendations or to reestablish the partnership's activities, they should request those funds from the Legislature.	Pending	Department of Education
10. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino City Unified School District (San Bernardino Unified) should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	Pending	Kern County Office of Education
11. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino Unified should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	Pending	Placer County Office of Education
12. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino Unified should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	Pending	San Bernardino County Superintendent of Schools
13. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino Unified should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	Partially Implemented	San Bernardino City Unified School District

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Report Number I2017-2*Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. University of California, Davis, should require the professor to undergo travel reimbursement training that should focus specifically on appropriate and allowable expenses.	Fully Implemented	University of California, Davis

Report Number 2016-141*Charter Schools: Some School Districts Improperly Authorized and Inadequately Monitored Out-of-District Charter Schools (October 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that districts obtain community support for charter schools that they authorize, the Legislature should amend state law to further clarify the conditions prospective charter schools must meet to qualify for the geographic exception. For example, the Legislature could clarify whether prospective charter schools qualify for the exception when their petitions indicate that they will serve primarily students residing outside the authorizing district's jurisdiction.	No Action Taken	Legislature
2. To ensure that districts obtain community support for charter schools that they authorize, the Legislature should amend state law to require any district that is considering authorizing an out-of-district charter school to notify the school's host district 30 days in advance of the board meeting at which the potential authorizing district is scheduled to make its authorization decision. The Legislature should also require the potential authorizing district to hold the public hearing within the host district's boundaries, notwithstanding restrictions in the State's Ralph M. Brown Act that would otherwise require the hearing to occur in the authorizing district.	No Action Taken	Legislature
3. To reduce the need for litigation between authorizing districts and host districts, the Legislature should establish an appeals process through which districts can resolve disputes related to establishing out of district charter schools.	No Action Taken	Legislature
4. To ensure charter school accountability, the Legislature should amend state law to require districts to strengthen their authorization processes by using the State Education Board's criteria for evaluating charter school petitions.	No Action Taken	Legislature
5. To ensure charter school accountability, the Legislature should amend state law to require charter schools to report annually all of their school locations—including school sites, resource centers, and administrative offices—to their authorizers and Education.	No Action Taken	Legislature
6. To remove the financial incentive for districts to authorize out-of-district charter schools, the Legislature should amend state law to prohibit districts from charging fees for additional services above the actual cost of services provided.	No Action Taken	Legislature
7. To ensure that authorizers have adequate tools and guidance for providing effective financial oversight, the Legislature should require the State Education Board and Education to work with representatives from county offices of education, representatives from districts, and subject matter experts such as the Fiscal Crisis Management and Assistance Team, to either establish a committee or work with an existing committee to report to the Legislature recommendations on establishing a minimum reserve requirement for charter schools, defining criteria that would allow authorizers to revoke or deny renewal of schools' charters for financial mismanagement despite increases in academic achievement, and developing a template that authorizers can use to provide their charter schools with annual feedback on their financial condition.	No Action Taken	Legislature
8. To ensure that districts are aware of significant issues that may impact the out-of-district charter schools they authorize, the Legislature should amend state law to require each district to place a district representative as a nonvoting member on each out-of-district charter school's governing board and allow such a representative to attend all meetings of the charter school's governing board.	No Action Taken	Legislature
9. To ensure that charter schools improve the educational outcomes of their students, the Legislature should amend state law to require authorizers to annually assess whether their charter schools are meeting the academic goals established in their charters.	No Action Taken	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To make certain that it authorizes only qualified petitions, Acton-Agua Dulce Unified School District (Acton-Agua Dulce Unified) should revise its charter school authorization policy to require the documentation of its evaluation of charter school petitions. The district should present this documentation to its governing board for its consideration.	†	Acton-Agua Dulce Unified School District
11. To ensure that it has a method to hold charter schools accountable for their educational programs, Acton-Agua Dulce Unified should, as a best practice, strengthen its authorization process by using the State Education Board's criteria for evaluating petitions.	†	Acton-Agua Dulce Unified School District
12. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately establish a procedure to periodically review and update its charter school policy to include all of the requirements in state law.	†	Acton-Agua Dulce Unified School District
13. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately review petitions to ensure they include all of the requirements in state law at the time of their approval.	†	Acton-Agua Dulce Unified School District
14. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately require its charter schools to submit material revisions when they add new locations.	†	Acton-Agua Dulce Unified School District
15. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately track its actual costs for providing oversight and verify that its oversight fees do not exceed legal limits.	†	Acton-Agua Dulce Unified School District
16. To better ensure effective oversight of their charter schools' finances, Acton-Agua Dulce Unified should develop written procedures for reviewing charter schools' financial information and conducting annual oversight visits. These procedures should include relevant requirements from memorandums of understanding with the charter schools and best practices.	†	Acton-Agua Dulce Unified School District
17. To better ensure effective oversight of its charter schools' finances, Acton-Agua Dulce Unified should develop written procedures for addressing financial concerns, such as a charter school's failure to meet the minimum reserve requirement established in the district's memorandum of understanding with the charter school.	†	Acton-Agua Dulce Unified School District
18. To better ensure effective oversight of its charter schools' finances, Acton-Agua Dulce Unified should place a district representative as a nonvoting member on each charter school's governing board.	†	Acton-Agua Dulce Unified School District
19. To ensure that charter schools work toward the academic goals established in their charters, Acton-Agua Dulce Unified should adopt a policy requiring it to provide its charter schools with timely feedback and recommendations regarding academic performance.	†	Acton-Agua Dulce Unified School District
20. To ensure that charter schools work toward the academic goals established in their charters, Acton-Agua Dulce Unified should adopt an academic oversight policy that includes steps for working with charter schools with poor performance results.	†	Acton-Agua Dulce Unified School District
21. To ensure that charter schools work toward the academic goals established in their charters, Acton-Agua Dulce Unified should provide its charter schools with annual oversight reports on their academic performance.	†	Acton-Agua Dulce Unified School District
22. Acton-Agua Dulce Unified should maintain active memorandums of understanding with its charter schools that describe the district's oversight responsibilities and ensure the schools meet the measurable student outcomes to which they have agreed.	†	Acton-Agua Dulce Unified School District
23. To ensure that it has a method to hold charter schools accountable for their educational programs, Antelope Valley Union High School District (Antelope Valley Union) should, as a best practice, strengthen its authorization process by using the State Education Board's criteria for evaluating petitions.	No Action Taken	Antelope Valley Union High School District
24. To ensure compliance with state law, Antelope Valley Union should immediately establish a procedure to periodically review and update its charter school policy to include all of the requirements in state law.	Pending	Antelope Valley Union High School District
25. To ensure compliance with state law, Antelope Valley Union should immediately review petitions to ensure they include all of the requirements in state law at the time of their approval.	No Action Taken	Antelope Valley Union High School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
26. To ensure compliance with state law, Antelope Valley Union should immediately require its charter schools to submit material revisions when they add new locations.	No Action Taken	Antelope Valley Union High School District
27. To ensure compliance with state law, Antelope Valley Union should immediately track its actual costs for providing oversight and verify that its oversight fees do not exceed legal limits.	Pending	Antelope Valley Union High School District
28. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should develop written procedures for reviewing charter schools' financial information and conducting annual oversight visits. These procedures should include relevant requirements from memorandums of understanding with the charter schools and best practices.	Pending	Antelope Valley Union High School District
29. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should develop written procedures for addressing financial concerns, such as a charter school's failure to meet the minimum reserve requirement established in the district's memorandum of understanding with the charter school.	Pending	Antelope Valley Union High School District
30. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should place a district representative as a nonvoting member on each charter school's governing board.	Pending	Antelope Valley Union High School District
31. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should provide charter schools with written feedback and recommendations for improving their financial operations after completing its financial reviews and annual oversight visits.	Pending	Antelope Valley Union High School District
32. To ensure that charter schools work toward the academic goals established in their charters, Antelope Valley Union should adopt a policy requiring it to provide its charter schools with timely feedback and recommendations regarding academic performance.	Pending	Antelope Valley Union High School District
33. To ensure that charter schools work toward the academic goals established in their charters, Antelope Valley Union should adopt an academic oversight policy that includes steps for working with charter schools with poor performance results.	Pending	Antelope Valley Union High School District
34. To ensure that charter schools work toward the academic goals established in their charters, Antelope Valley Union should provide its charter schools with annual oversight reports on their academic performance.	Pending	Antelope Valley Union High School District
35. Antelope Valley Union should maintain active memorandums of understanding with its charter schools that describe the district's oversight responsibilities and ensure the schools meet the measurable student outcomes to which they have agreed.	Pending	Antelope Valley Union High School District
36. To make certain that it authorizes only qualified petitions, New Jerusalem Elementary School District (New Jerusalem) should revise its charter school authorization policy to require the documentation of its evaluation of charter school petitions. The district should present this documentation to its governing board for its consideration.	†	New Jerusalem Elementary School District
37. To ensure that it has a method to hold charter schools accountable for their educational programs, New Jerusalem should, as a best practice, strengthen its authorization process by using the State Education Board's criteria for evaluating petitions.	†	New Jerusalem Elementary School District
38. To ensure compliance with state law, New Jerusalem should immediately establish a procedure to periodically review and update its charter school policy to include all of the requirements in state law.	†	New Jerusalem Elementary School District
39. To ensure compliance with state law, New Jerusalem should immediately review petitions to ensure they include all of the requirements in state law at the time of their approval.	†	New Jerusalem Elementary School District
40. To ensure compliance with state law, New Jerusalem should immediately require its charter schools to submit material revisions when they add new locations.	†	New Jerusalem Elementary School District
41. To ensure compliance with state law, New Jerusalem should immediately track its actual costs for providing oversight and verify that its oversight fees do not exceed legal limits.	†	New Jerusalem Elementary School District
42. To better ensure effective oversight of its charter schools' finances, New Jerusalem should develop written procedures for reviewing charter schools' financial information and conducting annual oversight visits. These procedures should include relevant requirements from memorandums of understanding with the charter schools and best practices.	†	New Jerusalem Elementary School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
43. To better ensure effective oversight of its charter schools' finances, New Jerusalem should develop written procedures for addressing financial concerns, such as a charter school's failure to meet the minimum reserve requirement established in the district's memorandum of understanding with the charter school.	†	New Jerusalem Elementary School District
44. To better ensure effective oversight of its charter schools' finances, New Jerusalem should place a district representative as a nonvoting member on each charter school's governing board.	†	New Jerusalem Elementary School District
45. To better ensure effective oversight of its charter schools' finances, New Jerusalem should provide charter schools with written feedback and recommendations for improving their financial operations after completing its financial reviews and annual oversight visits.	†	New Jerusalem Elementary School District
46. To ensure that charter schools work toward the academic goals established in their charters, New Jerusalem should adopt a policy requiring it to provide its charter schools with timely feedback and recommendations regarding academic performance.	†	New Jerusalem Elementary School District
47. To ensure that charter schools work toward the academic goals established in their charters, New Jerusalem should adopt an academic oversight policy that includes steps for working with charter schools with poor performance results.	†	New Jerusalem Elementary School District
48. To ensure that charter schools work toward the academic goals established in their charters, New Jerusalem should provide its charter schools with annual oversight reports on their academic performance.	†	New Jerusalem Elementary School District
49. New Jerusalem should maintain active memorandums of understanding with its charter schools that describe the district's oversight responsibilities and ensure the schools meet the measurable student outcomes to which they have agreed.	†	New Jerusalem Elementary School District

Report Number 2017-104

Montebello Unified School District: County Superintendent Intervention Is Necessary to Address Its Weak Financial Management and Governance (November 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that Montebello Unified School District (Montebello Unified) takes the steps necessary to prevent state intervention and regain its positive financial certification, the Los Angeles County Superintendent (county superintendent) should direct Montebello Unified to submit a corrective action plan to address the issues identified in this report including balancing its budget, amending and adhering to its hiring procedures, and establishing adequate safeguards to ensure that policies related to bond proceeds, conflicts of interest, and the approval of expenditures are implemented and followed.	*	Los Angeles County Office of Education
2. To ensure that Montebello Unified takes the steps necessary to prevent state intervention and regain its positive financial certification, the county superintendent should assist Montebello Unified in developing a plan to justify its workforce size and cost in terms of its current and projected enrollment, including evaluating the necessity of current staff levels and personnel costs.	*	Los Angeles County Office of Education
3. To ensure that Montebello Unified takes the steps necessary to prevent state intervention and regain its positive financial certification, the county superintendent should evaluate the necessity of executive positions and adjust executives' salaries based on an analysis of the number and cost of executives in comparable districts.	*	Los Angeles County Office of Education
4. To ensure that Montebello Unified takes the steps necessary to prevent state intervention and regain its positive financial certification, the county superintendent should ensure that Montebello Unified implements all of the recommendations detailed below (in the report).	*	Los Angeles County Office of Education
5. To improve its current financial condition and ensure future viability, Montebello Unified should within 60 days, revise its fiscal stabilization plan and make the necessary cuts to fund its ongoing commitments.	*	Montebello Unified School District
6. To improve its current financial condition and ensure future viability, Montebello Unified should create a robust budgeting process within 90 days using best practices of the GFOA to ensure Montebello Unified's ability to meet its priorities while maintaining the required level of reserves that buffers the district from drastic cuts in times of economic instability.	*	Montebello Unified School District

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To improve its current financial condition and ensure future viability, Montebello Unified should within 90 days, implement an effective budget monitoring process with regular budget-to-actual comparisons. This process should include safeguards against spending in excess of budgeted expenditures and require advance board approval of such spending before it occurs. For example, Montebello Unified should require that the budget manager perform monthly reviews of budget-to-actual figures and provide detailed explanations to the board for any variances.	*	Montebello Unified School District
8. To ensure that Montebello Unified hires the most qualified executive and management staff, Montebello should immediately adhere to its policies for hiring classified employees, including screening candidates to ensure that they meet the minimum qualifications. Montebello Unified should also hold provisional employees to the same standards for minimum qualifications as its policy requires.	*	Montebello Unified School District
9. To ensure that Montebello Unified hires qualified classified employees, the personnel commission should, within 90 days, revise its policies to require the classified director to provide it with the education and work experience of any candidates on eligibility lists for high-ranking positions. It should also require the director of the personnel commission—the classified director—to provide it with a list of all provisional appointments, including information on how those employees meet the minimum qualifications.	*	Montebello Unified School District
10. To ensure that it does not violate state law, Montebello Unified should immediately adhere to its policies and ensure that provisional employees do not work more than the legal maximum number of days of service.	*	Montebello Unified School District
11. To ensure that Montebello Unified hires executives who meet the minimum qualifications, it should verify that such individuals hold both an administrative and teaching credential before appointing them to a position of superintendent or assistant superintendent.	*	Montebello Unified School District
12. In order to rebuild trust with its community, Montebello Unified should adhere to its policies for hiring certificated personnel and fill any vacant positions for executives through a competitive hiring process, including advertising the positions, screening to ensure that minimum qualifications are met, and interviewing to ensure that it hires and retains the most qualified and talented leaders.	*	Montebello Unified School District
13. To ensure that Montebello Unified creates employee positions only when necessary, it should establish a policy within 30 days that requires a justification for why the district is creating a position. Additionally, in order to maintain transparency when creating new positions, Montebello Unified should immediately begin to document its justifications.	*	Montebello Unified School District
14. To ensure that Montebello Unified hires qualified certificated and classified employees, within 90 days the Montebello Unified Board of Education (board) should revise its policies to require the superintendent or his or her designee to provide information to the board about recruitments for high-ranking employees. The board should consider, at a minimum, the following information when approving appointments: <ul style="list-style-type: none"> • The number of initial applicants. • The number of candidates who passed the screening and interviewing steps. • The education and work experience of the final candidate recommended by the superintendent or designee. 	*	Montebello Unified School District
15. To ensure that Montebello Unified is making hiring decisions free of bias or favoritism, within 90 days it should strengthen its hiring policies related to nepotism and conflicts of interest for classified and certificated personnel to include the following: establishing restrictions on immediate family members being involved in the screening and interviewing processes and definitions of what types of personal relationships fall under the nepotism policy, which work relationships the nepotism policy applies to, and what factors to consider when evaluating the potential impact of a personal relationship.	*	Montebello Unified School District
16. To ensure that bond funds are spent appropriately, Montebello Unified should immediately ensure that its bond committee meets at least once per year.	*	Montebello Unified School District
17. To ensure that bond funds are spent appropriately, the Montebello Unified should immediately ensure that the bond committee member positions are filled.	*	Montebello Unified School District
18. To ensure that bond funds are spent appropriately, the Montebello Unified should immediately require that its contracted project manager provides detailed bond expenditure reports for all relevant bonds to the bond committee at least biannually.	*	Montebello Unified School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19. To ensure that bond funds are spent appropriately, the Montebello Unified should immediately ensure that its contracted auditor delivers a timely bond audit and that Montebello Unified addresses the auditor's concerns and recommendations.	*	Montebello Unified School District
20. To ensure that staff who make or influence district decisions are free from perceived or actual conflicts of interest, Montebello Unified should immediately identify all positions whose incumbents make or influence district decisions and designate those not already identified in its conflict-of-interest policy.	*	Montebello Unified School District
21. To ensure that staff who make or influence district decisions are free from perceived or actual conflicts of interest, Montebello Unified should immediately require designated employees to file statements of economic interests and adhere to its conflict-of-interest policy.	*	Montebello Unified School District
22. To ensure that staff who make or influence district decisions are free from perceived or actual conflicts of interest, Montebello Unified should within 60 days, expand its policy to require all employees approving contracts or expenditures to be designated and file a statement of economic interests.	*	Montebello Unified School District
23. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should require employees whose salaries are funded by voter-approved bond proceeds to fill out detailed timesheets to demonstrate that they work on bond-related activities. Bond proceeds should only be used to pay the portion of the salary relating to bond-funded activities that is supported by the timesheet.	*	Montebello Unified School District
24. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should implement an inventory tracking system that allows it to know where its equipment is located. Montebello Unified should also periodically review its inventory listing to ensure that equipment is being properly used.	*	Montebello Unified School District
25. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should close the adult education fund's revolving fund account.	*	Montebello Unified School District
26. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should require all employees to obtain approval for overtime before performing any overtime work and to submit an explanation of tasks they completed during their overtime work when they submit their overtime timesheet for payment.	*	Montebello Unified School District
27. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should follow the procedures in its purchase card manual including requiring employees to submit receipts for all purchases made with the card. If in violation of the manual, suspend or cancel the employee's card privileges and require employees to reimburse the district for improper purchases.	*	Montebello Unified School District
28. To ensure that state adult education expenditures are reasonable and justified, the board should within one year develop a policy that requires adult education classes to meet specific minimum thresholds for class size. If classes do not meet these thresholds, the adult program must cancel the class	*	Montebello Unified School District
29. To ensure that state adult education expenditures are reasonable and justified, the board should within one year require the adult program to annually report to the Los Angeles Regional Adult Education Consortium (consortium) and to the board on the accurate number of students in each class, number of hours taught, and cost of the class per student.	*	Montebello Unified School District
30. To improve the cash collection process, Montebello Unified should ensure that the adult program has adequate safeguards in place to minimize the risk of misuse of funds. It should specifically, within 60 days, implement policies and procedures that align with best practices for cash collection and cash deposits that include robust safeguards such as ensuring separation of duties in the cash collection process.	*	Montebello Unified School District
31. To ensure that state adult education funds are used in the most efficient and effective manner, the consortium should, within one year, complete an assessment of Montebello Unified's ability to meet the requirements of its adult education plan to determine whether its use of state funds has been effective. If Montebello Unified is found to be consistently ineffective, the consortium should immediately recalculate the adult program's fund allocation for the future.	*	Los Angeles Regional Adult Education Consortium

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
32. To ensure that state adult education funds are used in the most efficient and effective manner, the consortium should, within one year, develop policies and procedures to ensure the proper collection and reporting of enrollment, attendance, and expenditure data by consortium members. Periodically review enrollment, attendance, and expenditure data to ensure their accuracy.	*	Los Angeles Regional Adult Education Consortium

Report Number 2017-102

California Community Colleges: The Colleges Reviewed Are Not Adequately Monitoring Services for Technology Accessibility, and Districts and Colleges Should Formalize Procedures for Upgrading Technology (December 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that all community colleges are complying with timeliness requirements, by June 2018, the Chancellor's Office should establish guidance for the colleges on tracking and monitoring their effectiveness in responding to students' requests for instructional materials in alternate media in a timely manner. At a minimum, this guidance should provide direction to all community colleges on establishing a time-frame goal for completing students' requests. The guidance should also provide direction to colleges for establishing procedures to track and periodically monitor their performance in promptly responding to requests, identify reasons for delays in responding to requests, and take action as needed to improve their timeliness in completing future requests.	*	Community Colleges Chancellor's Office
2. To ensure that community colleges promptly address any complaints they receive related to alternate media requests and web accessibility, by June 2018, the Chancellor's Office should provide guidance to the community colleges on developing procedures to track and periodically review complaints received related to accessibility services, and to address any accessibility complaints in a timely fashion.	*	Community Colleges Chancellor's Office
3. To comply with statutory reporting requirements on its efforts to serve students with disabilities, by June 2018, the Chancellor's Office should establish and report on a system for evaluating state-funded programs and services for disabled students, including its gathering of outcome data, staff and student perceptions of program effectiveness, and data on the implementation of the program.	*	Community Colleges Chancellor's Office
4. To ensure that students with disabilities have equal access to instructional materials, by June 2018, the Chancellor's Office should develop guidance for the community colleges on periodically monitoring the accessibility of instructional materials and on providing training to all instructors in making their materials accessible to students with disabilities.	*	Community Colleges Chancellor's Office
5. To ensure that community colleges' websites comply with accessibility guidelines, by September 2018, the Chancellor's Office should provide guidance to colleges on establishing policies and procedures to monitor the accessibility of their websites. Additionally, by September 2018, the Chancellor's Office should provide guidance on best practices for colleges to use in preventing their websites from containing inaccessible information.	*	Community Colleges Chancellor's Office
6. To assist all community college districts and colleges in ensuring that they have consistent, transparent, and continuous implementation of their processes for upgrading and replacing IT equipment, by September 2018, the Chancellor's Office should issue guidance to the districts and community colleges on establishing written procedures for those processes.	*	Community Colleges Chancellor's Office
7. To assist all community colleges in increasing transparency of their shared governance decision-making processes, by September 2018, the Chancellor's Office should issue guidance to the community colleges on establishing procedures to document the attendees, input received, and agreements reached during department meetings, including those to consider technology equipment requests.	*	Community Colleges Chancellor's Office
8. To ensure that it is fulfilling requests for alternate media services from students with disabilities in a timely manner, by June 2018, Cerritos Community College (Cerritos) should establish procedures for monitoring its timeliness in responding to such requests so that it can periodically review its performance in completing the requests. Specifically, Cerritos should record and track sufficient information to be able to review how long it takes to complete requests. Additionally, Cerritos should calculate the number of days it takes to complete requests, and periodically evaluate its performance against its time-frame goals.	*	Cerritos Community College District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. To ensure that it promptly addresses any complaints it receives related to web accessibility and alternate media requests, by June 2018, Cerritos should establish procedures for tracking and reviewing complaints received related to accessibility and addressing complaints in a timely fashion.	*	Cerritos Community College District
10. To ensure that students with disabilities have equal access to instructional materials, by June 2018, Cerritos should develop procedures to monitor and periodically review the accessibility of instructional materials. For example, Cerritos could develop an accessibility checklist for instructors to complete when developing or selecting instructional materials, from which the college could periodically review a sample of course content to ensure that instructors completed the checklist and that the instructional materials comply with accessibility standards.	*	Cerritos Community College District
11. To ensure that all instructors are aware of the accessibility standards for instructional materials, Cerritos should include in its next collective bargaining negotiations a requirement for instructors to periodically attend accessibility trainings.	*	Cerritos Community College District
12. To ensure the consistent, transparent, and continuous implementation of processes for technology equipment upgrades and replacements, by June 2018, Cerritos should establish written procedures for those processes.	*	Cerritos Community College District
13. To ensure that its technology master plan supports the strategic goals of the district, Cerritos should update its master plan by June 2018, and should ensure that the plan includes detailed steps to accomplish its goals.	*	Cerritos Community College District
14. To increase the transparency of its annual review process, by June 2018, Cerritos should establish procedures requiring its departments to document attendees, input received, and agreements reached during meetings to consider instructional technology equipment requests.	*	Cerritos Community College District
15. To ensure that it is fulfilling requests for alternate media services from students with disabilities in a timely manner, by June 2018, Foothill-De Anza district (De Anza) should establish procedures for monitoring its timeliness in responding to such requests so that it can periodically review its performance in completing the requests. Specifically, it should record and track sufficient information to be able to review how long it takes to complete requests. Additionally, De Anza should calculate the number of days it takes to complete requests, and periodically evaluate its performance against its time-frame goals. Further, to evaluate its performance, De Anza should establish a time-frame goal for completing alternate media requests.	*	Foothill-De Anza Community College District
16. To ensure that it promptly addresses any complaints it receives related to web accessibility and alternate media requests, De Anza should follow its new procedures for tracking and reviewing complaints related to accessibility.	*	Foothill-De Anza Community College District
17. To ensure that students with disabilities have equal access to instructional materials, by June 2018, De Anza should develop procedures to monitor and periodically review the accessibility of instructional materials. For example, De Anza could develop an accessibility checklist for instructors to complete when developing or selecting instructional materials, from which the college could periodically review a sample of course content to ensure that instructors completed the checklist and that the instructional materials comply with accessibility standards.	*	Foothill-De Anza Community College District
18. To ensure that its website complies with accessibility standards, by June 2018, De Anza should develop procedures to monitor website accessibility and incorporate steps to prevent instructors from publishing inaccessible content on the college's website. These procedures should include a tracking mechanism to demonstrate how many accessibility errors the college identifies and how long it takes to fix those errors.	*	Foothill-De Anza Community College District
19. To ensure that all instructors are aware of the accessibility standards for instructional materials, De Anza should include in its next collective bargaining negotiations a requirement for instructors to periodically attend accessibility trainings.	*	Foothill-De Anza Community College District
20. To ensure the consistent, transparent, and continuous implementation of processes for technology equipment upgrades and replacements, by June 2018, De Anza should establish written procedures for those processes.	*	Foothill-De Anza Community College District
21. To increase the transparency of its annual review process, by June 2018, De Anza should establish procedures requiring its departments to document attendees, input received, and agreements reached during meetings to consider instructional technology equipment requests.	*	Foothill-De Anza Community College District

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
22. To ensure that it is fulfilling requests for alternate media services from students with disabilities in a timely manner, by June 2018, American River should establish procedures for monitoring its timeliness in responding to such requests so that it can periodically review its performance in completing the requests. Specifically, American River should calculate the number of days it take to complete requests, and periodically evaluate its performance against its time-frame goals.	*	Los Rios Community College District
23. To ensure that it promptly address any complaints it receives related to web accessibility and alternate media requests, by June 2018, American River should establish procedures for tracking and reviewing complaints received related to accessibility and addressing complaints in a timely fashion.	*	Los Rios Community College District
24. To ensure that students with disabilities have equal access to instructional materials, by June 2018, American River should develop procedures to monitor and periodically review the accessibility of instructional materials. For example, American River could develop an accessibility checklist for instructors to complete when developing or selecting instructional materials, from which the college could periodically review a sample of course content to ensure that instructors completed the checklist and that the instructional materials comply with accessibility standards.	*	Los Rios Community College District
25. To ensure that its website complies with accessibility standards, by June 2018, American River should develop procedures to monitor website accessibility and incorporate steps to prevent instructors from publishing inaccessible content on the college's website. These procedures should include a tracking mechanism to demonstrate how many accessibility errors the college identifies and how long it takes to fix those errors.	*	Los Rios Community College District
26. To ensure that all instructors are aware of the accessibility standards for instructional materials, American River should include in its next collective bargaining negotiations a requirement for instructors to periodically attend accessibility trainings.	*	Los Rios Community College District
27. To ensure the consistent, transparent, and continuous implementation of processes for technology equipment upgrades and replacements, by June 2018, the Los Rios district and American River should each establish written procedures for those processes.	*	Los Rios Community College District
28. To ensure that it fully implements its technology master plan, by June 2018, American River should establish an implementation plan with detailed steps for achieving the goals in its technology master plan that it has not yet accomplished. Further, it should develop an implementation plan in conjunction with the development of its future technology master plan.	*	Los Rios Community College District
29. To increase the transparency of its annual review processes, by June 2018, American River should establish procedures requiring its departments to document attendees, input received, and agreements reached during meetings to consider instructional technology equipment requests.	*	Los Rios Community College District

* The status of recommendations for audits issued between November and December 2017 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.

† As of December 31, 2017, the entity has not provided a response to the State Auditor.

Senate Budget & Fiscal Review Subcommittee 2 on Resources, Environmental Protection, Energy and Transportation

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. The Department of Water Resources (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.	Fully Implemented	Department of Water Resources
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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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 Department of Transportation's (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.	Fully Implemented	Department of Transportation

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	Department of Transportation
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.	Fully Implemented	Department of Transportation
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.	Fully Implemented	Department of Transportation
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.	Fully Implemented	Department of Transportation

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
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 (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.	Fully Implemented	San Joaquin Valley Air Pollution Control District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	San Joaquin Valley Air Pollution Control District
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.	Fully Implemented	San Joaquin Valley Air Pollution Control District

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
1. The Water Resources Control Board (control board) should take appropriate corrective action against the district engineer and the supervisors for their participation in or failure to address the conflict of interest.	Partially Implemented	Water Resources Control Board
2. The control board, through training and other appropriate means, should take steps to ensure the district engineer and others in similar positions do not participate in decisions involving their own economic interests.	Fully Implemented	Water Resources Control Board
3. The control board should 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.	Partially Implemented	Water Resources Control Board
4. The control board should 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. Caltrans should 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.	Fully Implemented	Department of Transportation
14. Caltrans should initiate appropriate collection procedures and, if necessary, eviction procedures for tenants who are delinquent in the payment of rent, utilities, or late fees.	Resolved	Department of Transportation
15. Caltrans should immediately begin eviction procedures against the two individuals illegally occupying two mobile homes within the mobile home park.	Fully Implemented	Department of Transportation
16. The Department of Parks and Recreation (State Parks) should 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. State Parks should 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. State Parks should 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. State Parks should 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. State Parks should 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. State Parks should 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. Caltrans should provide training to right-of-way agents and their supervisors in District 10 regarding the challenges it faces with this mobile home park.	Fully Implemented	Department of Transportation

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Report Number I2017-1*Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. Caltrans should take appropriate corrective or disciplinary action against the analyst for her misuse of state time.	Fully Implemented	Department of Transportation
7. Caltrans should have the analyst review and sign Caltrans' policies and directives related to the misuse of state time and incompatible activities.	Fully Implemented	Department of Transportation

Report Number 2016-121*Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards (April 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To increase Department of Motor Vehicles (DMV) oversight of applications for placards or plates, the Legislature should modify current law to require DMV to conduct at least quarterly audits of a selection of applications for disabled placards or plates and to seek the health boards' cooperation in doing so.	Legislation Enacted	Legislature
2. To better align the placard program with the needs of Californians with disabilities, the Legislature should amend state law to include podiatrists on the list of medical providers approved in state law to certify applications for disabilities related to their specialty.	Legislation Enacted	Legislature
3. To assist DMV in more accurately identifying deceased individuals with active permanent placards, the Legislature should amend state law to require DMV to use the U.S. Social Security Administration's Death Master File to inform its efforts to identify and cancel deceased individuals' placards.	Legislation Enacted	Legislature
4. To assist DMV in identifying deceased placard holders, the Legislature should require that all individuals with permanent placards reapply every four years.	Legislation Enacted	Legislature
5. To assist DMV in identifying deceased placard holders, the Legislature should require that all who apply for a placard or a plate include their full legal name and date of birth, and provide satisfactory proof of this information at the time of application.	Legislation Enacted	Legislature
6. To reduce the risk of placard misuse, the Legislature should limit to no more than two the number of replacements of permanent placards an individual may obtain during the two-year placard renewal period. The Legislature should require that those desiring replacements beyond that limit reapply and submit new certifications of disability.	Legislation Enacted	Legislature
7. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a review by medical experts of a sample of placard applications each quarter to ensure that the disability certifications meet state requirements. For any application that does not meet state requirements, DMV should require that the applicant and his or her provider submit the information needed so that the application meets state requirements. DMV should cancel the placards of those who do not respond within 90 days.	Pending	Department of Motor Vehicles
8. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a process for the health boards to develop guidance for medical providers related to how to meet state requirements.	Pending	Department of Motor Vehicles
9. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a process for obtaining copies of provider signatures and routinely comparing the signatures with those on a sample of placard applications. Investigations should confirm questionable signatures with providers.	Pending	Department of Motor Vehicles

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To help ensure that DMV approves only those applications that qualify for the placard program as specified in state law, by September 2017 and annually thereafter, DMV should provide additional direction and training to its staff that addresses the following program requirements: the types of medical providers that may certify qualifying disabilities, the disability categories each type of medical provider may certify, the legibility of medical provider certifications, and the entry of medical provider numbers into its registration system.	Pending	Department of Motor Vehicles
11. To identify potentially fraudulent applications, beginning immediately and quarterly thereafter, DMV Investigations should obtain placard application data from its registration system and analyze those data. At a minimum, this analysis should include a review of the following: individuals who have been issued multiple active placards, individuals who apply for an excessive number of replacement placards, providers who certify an abnormally large number of placard applications, and individuals over 100 years of age with active placards.	Fully Implemented	Department of Motor Vehicles
12. To better deter placard abuse, by September 2017 DMV should establish reasonable goals regarding the number of sting operations each of its district offices should conduct each quarter. If competing priorities require a district office to miss its goal for a given quarter, Investigations should document its justification for missing the goal. Further, Investigations should monitor its district offices' effectiveness in meeting the quarterly goals.	Fully Implemented	Department of Motor Vehicles
13. To help ensure that DMV's sting operations are an effective deterrent to placard misuse, beginning immediately DMV should regularly publicize the results of all of its sting operations through local and statewide media, on its website, and in materials distributed to the public at its field offices.	Fully Implemented	Department of Motor Vehicles
14. To properly equip its employees with the knowledge necessary to identify and report potential fraud indicators in placard applications, DMV should provide employees who process applications with training specific to the types of fraud that can occur in an application. This training should be provided by December 2017 and every other year thereafter.	Pending	Department of Motor Vehicles
15. To encourage reporting of allegations of placard abuse, Investigations should amend its policy to accept complaints by telephone and online by June 2017 and display the instructions for doing so prominently on its website.	Fully Implemented	Department of Motor Vehicles
16. To better track the time needed to investigate placard-related cases, Investigations should immediately require investigators to indicate in Investigations' database that cases are closed upon concluding the investigation and to continue to track the court's adjudication of each case.	Fully Implemented	Department of Motor Vehicles
17. To better monitor the results of its enforcement operations, Investigations should provide training and guidance to its investigators on how to use and consistently enter case disposition information into its database, and it should train its supervisors to regularly follow up with investigators to ensure that they do so.	Fully Implemented	Department of Motor Vehicles
18. To better equip local parking enforcement officials to promptly identify invalid placards, by December 2018 DMV should develop and implement an application, database, or other technology that will allow non-sworn parking enforcement officials to have immediate access to information on placard status.	Pending	Department of Motor Vehicles
19. To aid local placard enforcement efforts, by September 2017 DMV should develop guidance and training regarding strategies to combat placard misuse and notify local parking enforcement officials that the DMV guidance and training is available. As part of these efforts, DMV should include information on state law related to increasing citation penalties to fund enforcement efforts.	Fully Implemented	Department of Motor Vehicles
20. To track its effectiveness at canceling seized placards, DMV should continue its new practice of keeping a record of the date staff take action to cancel a placard and assess whether DMV is meeting its goal of canceling seized placards within 24 hours of receipt.	Fully Implemented	Department of Motor Vehicles
21. To provide local enforcement agencies with an effective way to submit placard cancellation requests, DMV should immediately establish a dedicated fax number, a dedicated email address, and a specific mailing address to receive such cancellations. DMV should communicate this information to local parking enforcement by July 2017 and should develop a schedule for communicating this information to local parking enforcement in the future. By July 2017 and periodically thereafter, DMV should inform local parking enforcement of the need to submit information on seized placards quickly in order to prevent the holder or someone else from requesting a replacement placard without having to submit a new medical certification.	Fully Implemented	Department of Motor Vehicles

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
22. To reduce the risk of placard misuse, DMV should update its placards to indicate a return address if found or if the placard holder is deceased. DMV should prepare this update for the permanent placards it will issue in 2019 that will expire in 2021.	Pending	Department of Motor Vehicles
23. To raise public awareness about parking for people with disabilities in California and deter placard misuse, by September 2017 DMV should develop a plan for conducting a public outreach campaign about the effect that placard misuse has on people with disabilities and the penalties for misusing a placard.	Fully Implemented	Department of Motor Vehicles

Report Number 2016-127*Home-Generated Sharps and Pharmaceutical Waste: By Designating a Lead Agency, the State Could Increase Proper Disposal (May 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide the California Department of Resources Recycling and Recovery (CalRecycle) statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include developing and implementing a public education campaign about home-generated sharps and pharmaceutical waste disposal. CalRecycle should coordinate this campaign with local, state, and, to the extent possible, federal agencies to ensure consumers receive consistent guidance regarding proper disposal methods.	No Action Taken	Legislature
2. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include maintaining an up-to-date, well-publicized, and accessible statewide list of free sharps and pharmaceutical waste collection sites. CalRecycle should create this list by either improving its FacIT database or by establishing a new database, potentially using Recyclewhere.org as a model.	No Action Taken	Legislature
3. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include increasing consumers' access to proper disposal methods in underserved locations. It could increase access by subsidizing prepaid mail-back options or by encouraging municipalities to include the collection of sharps and pharmaceutical waste in their contracts with waste haulers.	No Action Taken	Legislature
4. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include determining the characteristics of other government programs, such as New York State's consumer education program, that might benefit California.	No Action Taken	Legislature
5. To increase in-state options for processing California's home-generated pharmaceutical waste, the Legislature should expressly authorize municipal solid waste incinerators to burn limited quantities of home-generated pharmaceutical waste, but only after considering environmental impacts.	No Action Taken	Legislature
6. To ensure consistency throughout the State, the Legislature should adopt standard requirements for counties to follow when implementing extended producer responsibility programs. These requirements should limit any additional costs the programs may impose on consumers.	No Action Taken	Legislature

Report Number 2016-132

Department of Water Resources: The Unexpected Complexity of the California WaterFix Project Has Resulted in Significant Cost Increases and Delays (October 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To improve management of large and complex infrastructure projects, the Legislature should enact legislation requiring agencies to publicly report significant changes in the cost or schedule of such projects if they are expected to exceed their established budgets by 10 percent or schedules by 12 months.	No Action Taken	Legislature
2. To better manage large infrastructure projects, Water Resources should develop and implement a project-reporting policy requiring its management staff to document and justify decisions to proceed with such projects if they are expected to exceed their established budgets by 10 percent or schedules by 12 months. Water Resources should make these documented decisions and justifications publicly available and submit them to the Resources Agency for review and approval.	Will Not Implement	Department of Water Resources
3. To ensure it makes appropriate use of its growing surplus revenue balance, Water Resources should develop a detailed plan describing how it intends to use these funds.	Pending	Department of Water Resources
4. To fully comply with state contracting law, Water Resources should ensure that it competitively selects architectural and engineering consultants based on demonstrated competence and professional qualifications. In addition, Water Resources should document in the contract file its evaluation of the competence and professional qualifications of all contractors and any subcontractors that are added to the contract subsequent to the competitive selection process.	Pending	Department of Water Resources
5. To ensure that only qualified subcontractors are added to contracts after the initial award is made, Water Resources should make sure that contractors select their own subcontractors and that Water Resources subsequently approves the selection after it verifies their qualifications.	Will Not Implement	Department of Water Resources
6. Water Resources should ensure that it retains adequate documentation in its contract files to support that contract prices are fair and reasonable and all deliverables are received.	Pending	Department of Water Resources
7. To ensure that Water Resources manages WaterFix in an effective manner, Water Resources should complete both the economic analysis and financial analysis for WaterFix and make the analyses publicly available as soon as possible.	Pending	Department of Water Resources
8. In order to prepare for the potential approval of WaterFix and to ensure that the project is managed properly during the design and construction phase, Water Resources should do the following: develop an appropriate governance structure so that it is prepared to oversee the design and construction of WaterFix in the event it is ultimately approved.	Pending	Department of Water Resources
9. In order to prepare for the potential approval of WaterFix and to ensure that the project is managed properly during the design and construction phase, Water Resources should develop and update when necessary the associated program management plan for the design and construction phase of the project.	Pending	Department of Water Resources

Report Number I2017-2

Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. Water Resources should ensure the administrative supervisor starts accounting for partial-day absences in accordance with her classification as a nonexempt employee.	Fully Implemented	Department of Water Resources
5. Water Resources should ensure its management is knowledgeable about individual staff classifications and their time-reporting requirements.	Fully Implemented	Department of Water Resources

Senate Budget & Fiscal Review Subcommittee 3 on Health and Human Services

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 the Department of Social Services (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
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
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.	Pending	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.	Fully Implemented	Riverside County
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.	Fully Implemented	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.	Will Not Implement	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.	Pending	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.	Fully Implemented	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	Riverside County
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.	Fully Implemented	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.	Will Not Implement	Santa Clara County

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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 California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) does not face delays and cost overruns in the implementation of planned releases, Covered California should immediately contract with an independent party for independent verification and validation 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, Department of Public Health (Public Health) should take appropriate corrective or disciplinary action against him for leaving during the middle of his shift without approval.	Fully Implemented	California Department of Public Health
17. The Department of State Hospitals (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. The Department of Developmental Services (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.	Resolved	Department of Developmental Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Resolved	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.	Fully Implemented	Department of Developmental Services
24. Developmental Services should 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.	Fully Implemented	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.	Fully Implemented	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.	Fully 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.	Fully Implemented	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
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.	Fully Implemented	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.	Fully 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.	Resolved	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.	Fully Implemented	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.	Resolved	Los Angeles County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	Madera County
7. 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.	Fully Implemented	Madera County
8. 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.	Fully Implemented	Madera County
9. 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.	Fully Implemented	Madera County
10. 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.	Fully Implemented	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.	Fully Implemented	Riverside County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	Riverside County
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.	Fully Implemented	Riverside County
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.	Fully Implemented	Riverside County
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.	Fully Implemented	Riverside County
16. To improve its oversight of foster children who are prescribed psychotropic medications, Riverside County should immediately adopt the state guidelines for its physicians' use when prescribing psychotropic medications and for the county's use when reviewing court authorization requests.	Fully Implemented	Riverside County
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.	Resolved	Riverside County
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.	Fully Implemented	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.	Partially Implemented	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.	Partially Implemented	Sonoma County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully 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 of California (Medical Board) to analyze the Department of Health Care Services' (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
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: <ul style="list-style-type: none"> • Identification of the specific oversight responsibilities to be performed by the various state and local government agencies. • 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. • 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. 	Partially Implemented	Department of Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<ul style="list-style-type: none"> • 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. • 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. • 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. • An agreement on how the counties will use information on the new authorization forms that the Judicial Council of California (Judicial Council) approved to better oversee the prescription of psychotropic medications to foster children. • 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”. • 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. • 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. • 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. • 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. 		
<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>	Resolved	Department of Social Services
<p>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.</p>	Resolved	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Partially Implemented	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 and Social 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.	Partially Implemented	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.	Resolved	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. Health Care Services should 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. Health Care Services should 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. Health Care Services should 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. Public Health should immediately cease any further reimbursements to the official for travel from Sonoma County to Sacramento.	Fully Implemented	Department of Public Health
9. Public Health should ensure that all Public Health records reflect the official's headquarters as Sacramento.	Fully Implemented	Department of Public Health
10. Public Health should determine whether it should have reported the official's reimbursements as a taxable fringe benefit and, if so, amend any relevant tax documents.	Fully Implemented	Department of Public Health
11. Public Health should 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.	Fully Implemented	Department of Public Health
12. Public Health should 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.	Fully Implemented	Department of Public Health
19. Napa State Hospital (Napa) should 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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
20. Napa should 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. Napa should 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. Napa should 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.	No Action Taken	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"> Obtain and analyze all vendors' cost statements to determine their costs of providing services and whether vendors' administrative costs are reasonable. 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. Using information from the cost statements, identify whether vendors' temporary rates should be converted to permanent rates. 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. 	Legislation Proposed But Not Enacted	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.	Legislation Proposed But Not Enacted	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
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.	Will Not Implement	Department of Developmental Services

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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 the Board of Registered Nursing (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.	Partially Implemented	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 the Department of Consumer Affairs (Consumer Affairs).	No Action Taken	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 Consumer Affairs to develop an action plan by March 1, 2017, to prioritize and resolve the deficiencies we identified.	Fully Implemented	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
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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Partially Implemented	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.	Partially Implemented	Board of Registered Nursing
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

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
22. BRN should continue working with the Department of Justice (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.	Fully Implemented	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.	Fully Implemented	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

Report Number I2017-1***Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)***

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. State Hospitals should initiate immediate action, in accordance with Government Code section 19838, to collect the overpayment from the pharmacist.	Fully Implemented	Department of State Hospitals
9. State Hospitals should provide counseling or training to the pharmacist and pharmacy management regarding proper time and attendance procedures.	Fully Implemented	Department of State Hospitals
10. State Hospitals should provide counseling or training to the responsible personnel staff regarding proper procedures for processing the attendance records.	Fully Implemented	Department of State Hospitals
11. State Hospitals should review the pharmacist's time and attendance records from September 2015 to present to ensure she was not overpaid for any additional hours or had leave balances that were not reduced because of absences.	Fully Implemented	Department of State Hospitals
20. Health Care Services should take appropriate corrective or disciplinary action regarding the employee's misuse of state time, computer, and support staff, and for engaging in activities incompatible with her state duties.	Fully Implemented	Department of Health Care Services
21. Health Care Services should provide the employee with training related to appropriate Internet and email use, time and attendance, and ethics in the workplace.	Fully Implemented	Department of Health Care Services
22. Health Care Services should implement the action it proposed in its investigative report. Specifically, its Office of Civil Rights should conduct equal employment opportunity training and provide counseling for the division chief and the division's management team to ensure that they understand the equal employment opportunity concerns related to the do-not-hire list and that they use job-related and objective examination criteria when evaluating candidates in the future.	Fully Implemented	Department of Health Care Services
23. Health Care Services should implement the action it proposed in its investigative report. Specifically, its Office of Civil Rights should implement a series of management training sessions to ensure that Health Care Services management fully understand and adhere to its nondiscrimination policy to ensure equal employment opportunity for all candidates and employees.	Fully Implemented	Department of Health Care Services
25. Social Services should continue to monitor the supervisor's duties related to addressing the work performance of her subordinate employees and continue to take appropriate corrective or disciplinary action when necessary.	Fully Implemented	Department of Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
26. Social Services should require that the supervisor undergo supervisory training, specifically about managing employee performance and appropriately applying the steps of progressive discipline.	Fully Implemented	Department of Social Services

Report Number 2016-126

California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities (March 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that all applicable entities share their administrative actions with each other as state law intends, the Legislature should amend state law to require that Social Services, the Department of Aging, Public Health, Health Care Services, Medical Services, and county agencies provide each other their administrative action information.	No Action Taken	Legislature
5. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should develop and maintain a centralized database containing its own administrative actions and those received from other state departments, in order to share this information among these departments as required by state law. Social Services should seek funding if it believes additional resources are necessary.	Pending	Department of Social Services
6. To ensure that it more effectively shares, receives, and uses administrative action information, until a centralized database can facilitate real-time information transmittal, Social Services should amend its interagency agreements to specify that the departments should share their administrative action information as soon as possible after the action is final, but no later than five business days after the end of the month in which it became final. It should begin amending its interagency agreements by July 2017.	Pending	Department of Social Services
7. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should amend its interagency agreements so that the agreements remain in effect indefinitely. It should begin amending its interagency agreements by July 2017.	Pending	Department of Social Services
8. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should, as it receives administrative action information from other departments, share this information with the county agencies that perform licensing duties on its behalf.	Pending	Department of Social Services
9. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should direct its exemption analysts to review the administrative action information as part of their background check reviews.	Pending	Department of Social Services
10. To ensure that Social Services evaluates the risk individuals may pose to vulnerable populations in its licensed care facilities as quickly as possible, by July 2017 Social Services should establish time frames for staff to evaluate individuals who are present in their facilities and who have received administrative actions from other departments. In addition, it should monitor and follow up with the appropriate staff regarding the status of their assessments of these individuals and their final decisions.	Partially Implemented	Department of Social Services
11. To better ensure the safety of clients in licensed facilities, the Legislature should amend state law to require that Social Services receive state and federal RAP sheets for individuals before allowing them access to licensed facilities.	No Action Taken	Legislature
12. To better ensure the safety of clients in licensed facilities, the Legislature should amend state law to expand the list of nonexemptible crimes to include the eight crimes we identified and any other crimes it deems appropriate.	No Action Taken	Legislature
13. To comply with state law and better protect vulnerable populations in California's licensed care facilities, Social Services should immediately change its policy to require that its exemption analysts evaluate all infraction convictions, other than minor traffic violations, before granting exemptions to individuals. If Social Services believes it is not feasible to evaluate all of these convictions, it should report to the Legislature by June 2017 how it ensures that vulnerable populations are not at risk and should request that the Legislature change the law to eliminate infraction convictions as a crime category that Social Services must evaluate in order to grant an exemption.	Will Not Implement	Department of Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14. To comply with state regulations and its policies, the Caregiver Background Check Bureau (CBCB) should immediately ensure that its background check case files support its exemption decisions by including complete decision summaries and all required supporting documents. Also, it should immediately update its exemption-needed letter to identify all of the documents its policies require exemption analysts to evaluate when deciding whether to grant an exemption. The letter should also eliminate requests for documents that Social Services does not believe can be used if the applicant obtains them, such as law enforcement reports.	Partially Implemented	Department of Social Services
15. To ensure that its exemption analysts are receiving information that Social Services believes is necessary and relevant to make exemption decisions, Social Services should immediately revise its policy to require that exemption analysts obtain law enforcement reports on behalf of individuals who seek exemptions.	Fully Implemented	Department of Social Services
16. Until the Legislature requires that Social Services receive both California and federal criminal history information before issuing a clearance or processing an exemption, to better protect vulnerable populations, Social Services should immediately revise its policy to require its regional offices to obtain all self-disclosure forms for individuals who submit fingerprints to Justice as part of an application to be present in a licensed facility. The regional offices should then forward to the CBCB all self-disclosure forms that identify a conviction.	Pending	Department of Social Services
17. Until the Legislature requires that Social Services receive both California and federal criminal history information before issuing a clearance or processing an exemption, to better protect vulnerable populations, Social Services should immediately change its practice of allowing individuals who have not submitted a self-disclosure form to Social Services to have access to licensed facilities, thus reflecting the requirements of state law. In addition, the CBCB should develop a process to ensure that individuals cannot receive a clearance or an exemption without the CBCB first receiving both California and federal criminal history information if a regional office does not have a self-disclosure form for the individual.	Pending	Department of Social Services
21. To ensure that Social Services processes criminal history reviews as quickly as possible so that delays do not impede individuals whose presence in a licensed facility would pose no risk, by July 2017 the department should establish formal time frames and monitor the stages of the exemption process. At a minimum, Social Services should establish time frames for notifying individuals and facilities that a criminal history exemption is required, evaluating information it receives, and making decisions on exemptions. As part of monitoring, Social Services should identify when cases become backlogged and work to swiftly conclude those exemption reviews. In addition, if it determines that its staffing levels are insufficient to meet its time frames, it should seek additional resources.	Partially Implemented	Department of Social Services
22. To ensure that Social Services processes legal actions as quickly as possible so that delays do not impede individuals whose presence in a licensed facility would pose no risk, by July 2017 the department should establish formal time frames and monitor the stages of the legal process. At a minimum, Social Services should establish time frames for assigning cases to attorneys. Further, it should regularly monitor itself against the 120-day time frame for serving an accusation after the Legal Division receives a case.	Partially Implemented	Department of Social Services
23. To ensure that it can accurately monitor its pending cases, by May 2017 Social Services should develop a work plan to identify and address its exemption process backlog by September 2017. At a minimum, the work plan should include reviewing the cases its database identifies as open without activity 150 days after receiving a RAP sheet and closing the cases in its database where Social Services already performed its final exemption decision action.	Pending	Department of Social Services
24. To ensure that Social Services processes arrest-only cases as quickly as possible, it should immediately follow its arrest-only and investigation policies, and monitor against those time frames for the various stages of the process.	Partially Implemented	Department of Social Services
25. To ensure that its regional offices consistently verify that excluded individuals are no longer present at licensed facilities, at a minimum, Social Services should immediately revise its policy to require that regional offices conduct site visits after it issues exclusion orders. In addition, it should formalize the verification process it develops in its procedures, train all regional offices, and monitor compliance with the process.	Partially Implemented	Department of Social Services
26. To ensure that regional offices pursue legal actions in a timely manner, by July 2017 Social Services' headquarters should identify a resource—such as a unit—to monitor and follow up with the regional offices regarding the status of their legal actions related to substantiated address matches of registered sex offenders at licensed facilities.	Pending	Department of Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
27. The CBCB should update its procedures manual so that it is a centralized document staff are able to use for the most up-to-date guidance in performing their duties. In addition, it should update the CBCB-specific policies and combine them into a centralized document.	Partially Implemented	Department of Social Services
28. To ensure that its procedures are consistent and clear, Social Services should update its arrest-only case procedures and document its process for addressing subsequent arrest-only cases.	Partially Implemented	Department of Social Services
29. The CBCB should follow its new schedule for its refresher training sessions on the exemption process and continue to offer sessions as managers or staff identify a need.	Partially Implemented	Department of Social Services
30. The CBCB's arrest-only unit should develop and periodically conduct trainings on the aspects of the arrest-only process for which its analysts have not yet received training.	Pending	Department of Social Services
31. The CBCB should implement its planned changes for ensuring that files in the file room are in the appropriate place and filed correctly.	Partially Implemented	Department of Social Services

Report Number 2016-128

In-Home Supportive Services: The State Could Do More to Help Providers Avoid Future Payment Delays (March 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that counties are handling timesheet exceptions consistently and minimizing delays, Social Services should develop and issue procedures by July 2017 to require the counties to first attempt to correct timesheet errors for specific types of exceptions before mailing blank replacement timesheets to providers. Additionally, Social Services should review a random sample of exceptions at least quarterly to ensure that the counties are following its new procedures.	Partially Implemented	Department of Social Services
2. To reduce the likelihood of inadvertent errors on replacement timesheets, Social Services should create functionality within the Case Management, Information and Payrolling System (CMIPS II) to allow replacement timesheets to be printed with data that had been submitted correctly on the original timesheet. Social Services should develop a plan by August 2017 that outlines actions, such as assessing the cost and seeking funding from the Legislature if necessary, that will be taken to create the functionality.	Will Not Implement	Department of Social Services
3. To ensure that counties follow a consistent and expeditious policy for responding to providers who report lost or stolen paychecks, Social Services should issue a policy by September 2017 that allows providers to request replacement paychecks after five business days from the issue date of the lost or stolen paychecks.	Pending	Department of Social Services
4. To assist counties in resolving exceptions efficiently and in managing their workload, Social Services should by December 2017 develop a timesheet exceptions report in CMIPS II that enables county staff to categorize common exceptions, identify providers with recurring exceptions, and track timesheet processing workload over a period of time. Social Services should also train county staff on the most effective use of these reports.	Pending	Department of Social Services
5. To effectively communicate information to providers and reduce call volumes at counties, Social Services should implement functionality within CMIPS II by December 2017 to provide automated notifications to providers about the status of their timesheets and paychecks, including when timesheets are received and processed, when paychecks are processed, and whether there are exceptions on timesheets that would delay processing paychecks and whom to contact at the county to address those exceptions.	Pending	Department of Social Services
7. To ensure that Hewlett Packard Enterprise is meeting its contractual requirements, Social Services should review timesheet processing data and reports and follow up with the Office of Systems Integration (OSI) to make sure it is taking corrective action if Hewlett Packard Enterprise exceeds the agreed-upon processing time frames.	Fully Implemented	Department of Social Services
8. To ensure that OSI is adequately monitoring Hewlett Packard Enterprise and to allow for more proactive management of the In-Home Supportive Services (IHSS) program, Social Services should work with OSI to enforce the contract provision requiring Hewlett Packard Enterprise to submit monthly data on the number of timesheets with exceptions by county and the time taken to resolve those exceptions. Moreover, Social Services should develop a process for regularly reviewing these data to detect any discrepancies among the counties' processes for handling timesheets with exceptions.	Partially Implemented	Department of Social Services

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To enable it to track whether the Employment Development Department (Employment Development) is meeting its contractual time frame for printing and mailing timesheets, Social Services should either modify its current agreement or require in the renewal of its agreement a method for tracking the time required to print and mail timesheets. Social Services should also perform monthly reviews of the activities performed by Employment Development and the State Controller's Office (SCO) to ensure compliance with the time frames for each agreement. Additionally, Social Services should implement a process to regularly test Employment Development and SCO processes to ensure that they are within the required time frames.	Pending	Department of Social Services
11. To more effectively address common problems reported by providers and recipients, Social Services should develop a formal process to document and address patterns of concerns conveyed through complaints. Specifically, the process should include a method for Social Services to identify and aggregate the complaints it receives, to analyze that information to determine whether there are common themes or broader issues to address within IHSS, and to obtain sufficient information to substantiate responses to the complaints. The process should also include steps to clarify ambiguous issues raised in the complaints and define clear deadlines and the steps to take when responding to complainants if those deadlines cannot be met.	Partially Implemented	Department of Social Services
12. To facilitate providers' efforts to report their time, and to reduce the potential for providers to be inadvertently suspended from the IHSS program, the Legislature should amend state law to define the pay period as two workweeks. Moreover, the Legislature should modify state law to require weekly hours as the basis for authorizing services but continue to allow flexibility for recipients to adjust the hours their providers work across workweeks in a manner similar to the provisions of the current law.	No Action Taken	Legislature
13. Until state law is changed to facilitate providers' efforts to report their time and to reduce the potential for providers to be inadvertently suspended from the IHSS program, Social Services should inform providers of the weekly maximum number of service hours for each variation in the length of the month, rather than using a standard conversion that results in providers claiming more hours than their recipients are authorized.	Will Not Implement	Department of Social Services
14. If the Legislature amends state law as we recommend, Social Services should modify the timesheet format to incorporate the weekly authorization for services and the new two-workweek pay period. Social Services should also reconfigure its timesheet to require that all information be entered on one side of the document, including the signatures of the provider and recipient.	Will Not Implement	Department of Social Services
15. To ensure that it can quickly identify potential concerns with the number of timesheets received at the timesheet processing facility Social Services should develop procedures to review its timesheet volume report on a daily basis. Alternatively, Social Services could work with OSI to modify the reporting function within CMIPS II to require automated notifications to management when the timesheet volume report identifies an instance when the volume of timesheets falls below the threshold specified.	Fully Implemented	Department of Social Services

Report Number I2017-2***Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)***

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. State Hospitals should take appropriate disciplinary action against the psychiatric technician.	Pending	Atascadero State Hospital
2. State Hospitals should take steps to recoup the \$7,540 of overtime pay from the psychiatric technician.	Pending	Atascadero State Hospital
3. State Hospitals should take appropriate corrective actions to address the failures of the shift lead and the supervisor and to ensure they fulfill their responsibilities for recognizing and addressing attendance abuse.	Pending	Atascadero State Hospital

Senate Budget & Fiscal Review Subcommittee 4 on State Administration and General Government

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 (March 2016)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To make the State Board of Equalization's (Equalization) 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.	No Action Taken	Legislature
2. Unless the Legislature directs Equalization to eliminate the Cigarette and Tobacco Products Compliance Fund's (compliance fund) excess fund balance within a time frame of more than a year, Equalization should eliminate the excess fund balance by June 30, 2017 by using it to offset the licensing program's annual funding shortfall. Equalization should also limit the compliance fund's future balance to no more than two months' worth of licensing program expenditures.	Pending	State Board of Equalization
3. Equalization'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.	Fully Implemented	State Board of Equalization
4. Equalization's 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	State 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, Equalization 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 Equalization followed when it implemented the inspection program, which is 26 percent—or approximately one inspection every four years—of these licensed locations.	Resolved	State Board of Equalization

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 Department of General Services' (General Services) 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

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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
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.	Will Not Implement	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.	Will Not Implement	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. San Rafael should work with applicable stakeholders, such as realtors, to aid in this effort.	Fully Implemented	City of San Rafael
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. Novato 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. Pasadena should work with applicable stakeholders, such as realtors, to aid in this effort.	Pending	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.	Fully Implemented	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 Pasadena'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. San Rafael should also establish a designated location in its database to record this information.	Fully 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. Novato 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. Pasadena 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.	Fully Implemented	City of San Rafael

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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
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 San Rafael 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.	Fully 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 Novato is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations.	Fully 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 Pasadena 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.	Fully 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.	Fully 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.	Fully 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.	Fully 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 completes 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.	Fully Implemented	City of San Rafael
24. To ensure that it conducts its resale record inspections and completes 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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
25. To ensure that it conducts its resale record inspections and completes 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.	Fully Implemented	City of San Rafael
27. To ensure that it conducts its resale record inspections and completes 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 completes 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 completes 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 completes 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.	Fully Implemented	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.	Pending	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. San Rafael should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Fully Implemented	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. Novato should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Will Not Implement	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. Pasadena 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. San Rafael 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 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. Novato 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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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. Pasadena 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.	Fully Implemented	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.	Pending	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 Office's 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
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	Fresno County
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.	Fully Implemented	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.	Fully Implemented	Fresno County
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

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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 information technology (IT) projects promptly identifies potential problems and develops resolutions, by September 2016 the Department of Veterans Affairs (Veterans Affairs) 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 Veterans Affairs 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 independent project oversight (IPO) and independent verification and validation (IV&V) services on future IT projects, by September 2016 Veterans Affairs 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 Department of Technology (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 Veterans Affairs should establish a process to periodically verify that its staff follow state contracting requirements and maintain all required contract documentation.	Fully Implemented	Department of Veterans Affairs
5. To ensure it maintains all documentation related to its IT contracts, Veterans Affairs 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 Veterans Affairs 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 Veterans Affairs 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 Veterans Affairs 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.	Fully Implemented	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, Veterans Affairs 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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To ensure that it maximizes its opportunity to successfully implement future IT projects, including its plan to replace its current system, Veterans Affairs 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, Veterans Affairs 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.	Fully Implemented	Department of Technology
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.	Fully Implemented	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	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 the city of Irvine (Irvine) should incorporate into its request for proposals (RFP) 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, 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, 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.	Fully Implemented	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, 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.	Fully Implemented	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

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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 Irvine city council (city 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
10. To provide the public with adequate information regarding the city council's spending decisions, the city council should, by December 2016, include in its policies a requirement that motions by the city 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.	Fully Implemented	City of Irvine

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 California Public Utilities Commission (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"> 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. A requirement that commissioners' disclosures include a description of the commissioners' communications and their contents. 	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.	Not Implemented	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"> • Fully justify civil service exemptions. • Conduct market research for exempt contracts. • Fully support the need for additional funding. • Ensure that it does not change the scope of work too significantly from the original. • Monitor contractor performance against criteria included in its contracts. • Avoid sole-source contracts when it is able to solicit competitive bids for services. 	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.	Partially Implemented	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.	Fully Implemented	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.	Partially Implemented	California Public Utilities Commission
12. The CPUC should use its contract database to track the procurement method for each contract.	Fully Implemented	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.	Partially Implemented	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

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 should reach agreement with the Los Angeles County Fair Association (association) on the date by which the association must pay Los Angeles county for the rent in arrears related to the hotel.	Pending	Los Angeles County
2. By April 2017, Los Angeles 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, Los Angeles 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, Los Angeles 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, Los Angeles 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 Los Angeles County an agreed-upon fixed amount, adjusted periodically for inflation, or to pay Los Angeles 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, Los Angeles 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, Los Angeles 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, Los Angeles County should strongly consider ensuring that any potential amendment to the lease includes terms that require the association to provide Los Angeles 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 Los Angeles 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, Los Angeles County should strongly consider ensuring that any potential amendment to the lease includes terms that require the association to provide Los Angeles 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 Los Angeles County.	Pending	Los Angeles County

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 Department of 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.	Fully Implemented	Department of Industrial Relations

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Legislation Enacted	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.	Partially Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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: 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; revenue and expenditure forecasts; and plan-monitoring mechanisms, such as a scorecard of key indicators of financial health.	Partially Implemented	City of Irwindale
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.	Will Not Implement	City of Irwindale

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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 PARS 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.	Will Not Implement	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.	Will Not Implement	City of Irwindale
5. As a prudent financial practice, Irwindale should collect receipts for all reimbursable Irwindale city council (city 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.	Will Not Implement	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 take the following step related to its current prescription drug benefit program: 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.	Will Not Implement	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 current 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.	Will Not Implement	City of Irwindale
9. To reduce the costs of its resident prescription drug benefit program, 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.	Will Not Implement	City of Irwindale
10. To reduce the costs of its resident prescription drug benefit program, 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.	Will Not Implement	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.	Will Not Implement	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 its police officers by implementing a rotational order for scheduled overtime to prevent some officers from working excessive shifts.	Will Not Implement	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. The city 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

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.	Will Not Implement	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.	No Action Taken	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.	Fully Implemented	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

Report Number I2017-1

Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. Equalization should work with the first tax technician's current employing agency to place appropriate documentation about the investigation in her official personnel file.	Fully Implemented	State Board of Equalization
13. Equalization should place a memo in the second tax technician's official personnel file that details the findings of its investigation, its dismissal filed and served on her, and this tax technician's retirement from BOE before the effective date of the dismissal so that other state agencies are fully aware of the findings should she return to state employment.	Fully Implemented	State Board of Equalization

Report Number 2016-036

Indian Gaming Special Distribution Fund: The Method Used to Mitigate Casino Impacts Has Changed, and Two Counties' Benefit Committees Did Not Ensure Compliance With State Law When Awarding Grants (March 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. If the Legislature appropriates funding from the distribution fund for mitigation grants in the future, to comply with state law, Fresno County's benefit committee should ensure that it obtains sufficient documentation from grant applicants to demonstrate that the requested funding represents the correct proportionate share of the costs attributable to casino impacts.	Not Currently Feasible	Fresno County
2. If the Legislature appropriates funding from the distribution fund for mitigation grants in future years, Fresno County's benefit committee should revise its procedures to include specific steps to verify that grantees will place grant funds into interest-bearing accounts when awarding any mitigation grants. These steps should include requiring grantees to report the interest accrued in their quarterly reports and to substantiate those reports with bank statements or other reports of interest earned, and following up with the grantee when the grantee reports no earned interest for the period.	Not Currently Feasible	Fresno County
3. Fresno County's benefit committee should develop procedures to ensure it complies with the reform act by collecting all required statements of economic interest in a timely manner, and that it complies with its record retention policy by maintaining those statements for the required period of time.	Fully Implemented	Fresno County
4. If the Legislature appropriates funding from the distribution fund for mitigation grants in the future, to comply with state law, San Diego County's benefit committee should ensure that it obtains sufficient documentation from grant applicants to demonstrate that the requested funding represents the correct proportionate share of the costs attributable to casino impacts.	Not Currently Feasible	San Diego County

Report Number 2016-128*In-Home Supportive Services: The State Could Do More to Help Providers Avoid Future Payment Delays (March 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure that Hewlett Packard Enterprise is meeting its contractual obligation for processing timesheets, the Office of Systems Integration (OSI) should monitor whether the timesheet processing facility is processing timesheets within five business days, assess penalties when warranted, and report the results of this monitoring to the Department of Social Services on a monthly basis.	Fully Implemented	Office of Systems Integration
9. To ensure that the reports it receives from Hewlett Packard Enterprise are complete and allow it to better manage the Case Management, Information and Payrolling System (CMIPS II) and support the In-Home Supportive Services program, OSI should enforce its agreement requiring Hewlett Packard Enterprise to submit monthly data on the number of timesheets with exceptions by county and the time taken to resolve them.	Fully Implemented	Office of Systems Integration

Report Number 2016-133*SAFE-BIDCO: At Risk of Insolvency, It Needs Increased Oversight if It Is to Receive State Funding and Continue to Help Small Businesses in California Gain Financing (April 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the State Assistance Fund for Enterprise, Business, and Industrial Development Corporation's (SAFE-BIDCO) operations are subject to appropriate oversight and to fulfill its mission of providing financing to small businesses, the Legislature should establish SAFE-BIDCO as a program within the Treasurer's Office.	Resolved	Legislature
2. To track SAFE-BIDCO's performance in fulfilling its mission to provide assistance to California small businesses, the Legislature should require SAFE-BIDCO to report to the Legislature annually on its revenue and expenses and the success of its programs.	Resolved	Legislature
3. If it is not established as a program within a state entity, SAFE-BIDCO should by April 2018 research options to address its obligations, such as setting aside funds dedicated to its other post-employment benefits (OPEB) liabilities and take appropriate action based on the research performed to ensure that it has sufficient funding to fulfill its OPEB obligations to its employees and retirees.	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)
4. If it is not established as a program within a state entity, SAFE-BIDCO should take steps to raise funds by seeking donations to obtain needed capital.	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)
5. If it is not established as a program within a state entity, SAFE-BIDCO should by October 2017 take steps to increase participation on its subcommittees by its board members, such as by assigning board members to subcommittees, to receive the full range of experience and expertise of its board members.	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)
6. To obtain the best value for its limited funds, SAFE-BIDCO should by October 2017 establish a policy and related procedures requiring that it seek competitive bids for significant contracted services. The policy should establish a dollar threshold for what services SAFE-BIDCO considers significant.	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>7. Regardless of whether the Legislature establishes SAFE-BIDCO as a program within a state entity, it should do the following: To ensure that it spends its funds furthering its mission of helping California small businesses, SAFE-BIDCO should decrease its travel expenses by adopting a travel budget in consideration of its expenses and mission and limiting out-of-state travel.</p>	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)
<p>8. SAFE-BIDCO should by October 2017 create one central report that includes revenue goals and actual performance for each program it operates to ensure that decision makers, such as the board of directors, Legislature, and other stakeholders have sufficient information to assess its performance.</p>	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)
<p>9. SAFE-BIDCO should by October 2017 establish policies and procedures for a supervisory review process of its loan files to ensure that its loans comply with the requirements of its programs.</p>	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)
<p>10. To ensure consistency of its reviews and approvals of loan applications, SAFE-BIDCO should establish a process to provide all loan committee members with its financing assistance policy.</p>	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)
<p>11. To make certain that loan committee members are aware of statutory requirements, SAFE-BIDCO should revise its financing assistance policy to ensure that it contains all required language, including emphasizing consideration of applications that will increase employment of disadvantaged, disabled, or unemployed persons or increase employment of youth residing in areas of high youth unemployment and delinquency.</p>	Resolved	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)

Report Number 2016-124

Department of General Services and California Department of Technology: Neither Entity Has Provided the Oversight Necessary to Ensure That State Agencies Consistently Use the Competitive Bidding Process (June 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To improve its oversight of the State's noncompetitive contracts, General Services should immediately ensure that agencies enter accurate and complete contract information into the Financial Information System for California (FISCal). For example, General Services should regularly select contracts from agencies and verify the accuracy and completeness of the related entries in FISCal.</p>	Fully Implemented	Department of General Services
<p>2. To improve its oversight of the State's noncompetitive contracts, General Services should, within 90 days, modify FISCal to include a standard amendment indicator to identify an item as an amendment, including the amendment number with respect to the contract, that agencies can use regardless of whether they make their procurements using FISCal. This indicator should ensure that General Services can reliably analyze and report on the number, values, and types of exemptions from competitive bidding of the State's contract amendments. General Services should notify all agencies of this change and ensure that the notification provides appropriate guidance for the use of the amendment indicator.</p>	Pending	Department of General Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>3. To improve its oversight of the State's noncompetitive contracts, General Services should, within 90 days, create plans for regularly performing statewide analyses to identify potential abuse or overuse of noncompetitive contracts. These analyses should include, but not be limited to, calculating the proportional value and number of the State's competitive and noncompetitive contracts and amendments, examining trends in agencies' use of noncompetitive contracts and amendments, and identifying unusual patterns among vendors receiving state contracts through noncompetitive means.</p>	Will Not Implement	Department of General Services
<p>4. To improve its oversight of the State's noncompetitive contracting related to reportable IT projects and telecommunication procurements, the Technology Department should create plans within 90 days for regularly performing statewide analyses of FISCal data to identify potential abuse or overuse of noncompetitive contracts. These analyses should include, but not be limited to, calculating the proportional value and number of the State's competitive and noncompetitive contracts and amendments, examining trends in agencies' use of noncompetitive contracts and amendments, and identifying unusual patterns among vendors receiving state contracts through noncompetitive means.</p>	Pending	Department of Technology
<p>5. To promote accountability for and transparency of the State's noncompetitive request process, the Legislature should require General Services and the Technology Department to submit an annual report of all noncompetitive requests they approve with values over \$1 million. This report should include performance metrics such as the percentage of procurement dollars approved as noncompetitive requests. This could be a published annual report or the two agencies could provide this information publicly on their websites. In addition, the Legislature could require agencies to publicly justify their noncompetitive requests in Legislative hearings when it sees fit. For each noncompetitive request listed in the annual report, General Services and Technology should include—at a minimum—the following information:</p> <ul style="list-style-type: none"> • Contracting agency. • Original contract value (if applicable). • Noncompetitive request value. • Numbers and values of noncompetitive amendments (if applicable). • Mechanisms applied to enforce compliance. 	No Action Taken	Legislature
<p>6. To clarify the allowable reasons for using noncompetitive requests and to ensure that agencies understand these reasons, General Services should, within 180 days, enhance the criteria in the State Contracting Manual to include examples of appropriate and inappropriate circumstances related to justifying a noncompetitive request. In particular, it should clearly reiterate that poor contract planning is not a sufficient justification for a noncompetitive request for all acquisition types. Further, General Services should develop specific criteria for what constitutes an appropriate noncompetitive request for non-IT services acquisitions. General Services should notify all agencies of the clarifications in the State Contracting Manual and should reiterate that all noncompetitive requests must meet the enhanced criteria.</p>	Pending	Department of General Services
<p>7. To ensure that the State receives the best value for its contracts, General Services should immediately begin performing the following:</p> <p>For contracts that are exempt from competition by policy or statute, including noncompetitive requests for contracts, General Services should require agencies to justify that the price is fair and reasonable. This should include a current price analysis pointing to competitive pricing from another contract, such as a statewide agreement, or a comparison of rates to other available vendors, or another valid price analysis with objective evidence.</p>	Pending	Department of General Services
<p>8. To ensure that the State receives the best value for its contracts, for noncompetitive requests, General Services should immediately require agencies to quantify and substantiate their cost savings or averted costs.</p>	Pending	Department of General Services
<p>9. To ensure that it holds agencies accountable for implementing the corrective action plans that they submit with noncompetitive requests, General Services should immediately begin tracking all outstanding plans and following up to ensure that agencies complete them. For example, General Services should require an agency to include key dates in its corrective action plan that the agency plans to meet to conduct a competitive procurement and report its progress to General Services. Further, General Services should inquire about the steps that agencies have taken before the contract expiration dates in their most recent noncompetitive requests.</p>	Pending	Department of General Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To ensure that it consistently and appropriately responds when agencies fail to justify their noncompetitive requests, plan sufficiently to avoid the noncompetitive process, or follow their corrective action plans, General Services should create an escalation process within 90 days that outlines the order and severity of enforcement mechanisms it will use. The mechanisms it applies should escalate according to the number or severity of offenses it identifies. For example, General Services could begin by sending a warning letter to high-level agency executives, followed by reducing or revoking an agency's purchasing threshold for specific types of acquisitions—for example, IT services—and finally by reducing or revoking an agency's purchasing threshold for all acquisition types in scenarios of repetitive noncompliance.	Pending	Department of General Services
11. To ensure that the State receives the best value for its noncompetitive requests, the Technology Department should immediately begin to require that agencies justify that the price is fair and reasonable. This should include a current price analysis pointing to competitive pricing from another contract, such as a statewide agreement, or a comparison of rates to other available vendors, or another valid price analysis with objective evidence. Further, the Technology Department should require agencies to quantify and substantiate their cost savings or averted costs.	Pending	Department of Technology
12. To ensure that it holds agencies accountable for implementing the corrective action plans that they submit with noncompetitive requests, the Technology Department should immediately begin tracking all outstanding corrective action plans and following up to ensure that agencies complete them. For example, the Technology Department should require that an agency include key dates in its corrective action plan that the agency plans to meet to conduct a competitive procurement and report its progress to the Technology Department. Further, the Technology Department should inquire about the steps that agencies have taken before the contract expiration dates in their most recent noncompetitive requests.	Pending	Department of Technology
13. To ensure that agencies do not repeatedly submit inappropriate noncompetitive requests after receiving a warning, the Technology Department should track and follow up on instances in which it has issued a warning letter. Further, when appropriate, the Technology Department should follow through with the consequences it includes in its warning letters.	Pending	Department of Technology

Report Number 2017-107

Santa Clara County Registrar of Voters: Insufficient Policies and Procedures Have Led to Errors That May Have Reduced Voters' Confidence in the Registrar's Office (October 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure the accuracy of voting district boundaries and to allow Santa Clara County Registrar of Voters (Santa Clara) to make changes to existing boundaries as necessary, Santa Clara should establish a procedure requiring Mapping staff to ask each voting district either to certify that its boundaries are accurate and unchanged or to provide an updated map of its boundaries at least 125 days before each general district election.	Fully Implemented	Santa Clara County Registrar of Voters
2. Santa Clara should immediately coordinate with Information Services to access the most current maps from other county departments, such as the Santa Clara Assessor, to verify the accuracy of the district maps.	Pending	Santa Clara County Registrar of Voters
3. To reduce errors and potentially its workload, Santa Clara should research by January 2018 its opportunities to integrate mapping software with its election management software, and Santa Clara should implement this integration of mapping software technology by June 2018.	Pending	Santa Clara County Registrar of Voters
4. Santa Clara should promptly seek compensation from its vendors for all costs associated with rectifying vendor errors that occur in the future.	Fully Implemented	Santa Clara County Registrar of Voters
5. To make certain that its staff learn of election-related errors and identify trends in error types, and to allow Santa Clara to identify necessary modifications to processes that will reduce or eliminate such errors, Santa Clara should immediately formalize a policy requiring the continued use of a spreadsheet similar to the one it created to track election-related errors.	Fully Implemented	Santa Clara County Registrar of Voters

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure accuracy and consistency in the creation, review, and distribution of election-related materials, Santa Clara should review and document in detail all policies and procedures by October 2018, prioritizing its documentation for the divisions that are responsible for the most frequent and egregious election-related errors. Specifically, Santa Clara should review and formalize Mapping policies and procedures by January 2018, to allow time for implementation before the June primary election process. By October 2018, Santa Clara should review and formalize policies and procedures for the remaining divisions—including Ballot Layout, Candidate Services, and Vote by Mail—to provide adequate time for implementation before the November general election process.	Pending	Santa Clara County Registrar of Voters
7. To reduce the risk of staff errors, inconsistencies in procedures, and the loss of institutional knowledge in the creation, review, and distribution of election-related materials, Santa Clara should develop and implement training for its staff that includes instructions on its comprehensive policies and procedures. The development of this training should take place concurrently with Santa Clara's detailed documentation of its policies and procedures, and Santa Clara should require relevant staff to attend this training before each major election.	Pending	Santa Clara County Registrar of Voters
8. To ensure the accuracy of election-related materials, Santa Clara should immediately implement a procedure for candidates, voting districts, or others who submit documents to have them verify the accuracy of the electronic versions of those documents once Santa Clara has formatted them.	Partially Implemented	Santa Clara County Registrar of Voters
9. To ensure consistency in responding to election-related errors, Santa Clara should immediately implement a contingency plan or decision matrix that includes specific guidelines for the actions it will take based on the number of voters affected and the significance of the error. In instances in which it chooses to deviate from this plan, Santa Clara should document its reasons for deciding to do so.	Fully Implemented	Santa Clara County Registrar of Voters
10. To maintain the public's confidence in it and its functions, Santa Clara should immediately include in its postelection reports descriptions of any election-related errors, accounts of why the errors occurred, and explanations of how it plans to prevent similar errors from occurring in the future.	Partially Implemented	Santa Clara County Registrar of Voters
11. The Secretary of State should adopt regulations establishing clear criteria for mistakes in election-related materials that constitute reportable errors and require counties to report these errors to it after each election.	Pending	Secretary of State
12. Beginning in December 2018, the Secretary of State should implement annual risk-based reviews of a selection of county election officials' offices to ensure their compliance with state election laws and regulations.	Pending	Secretary of State
13. To inform and enhance the guidance it provides to county election officials, the Secretary of State should analyze error reports and its risk-based review results to focus its guidance on topics most relevant to improving elections throughout the State.	Pending	Secretary of State

Report Number 2017-106*The Bradley-Burns Tax and Local Transportation Funds: Changing the Allocation Structure for the Bradley-Burns Tax Would Result in a More Equitable Distribution of Local Transportation Funding (November 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the Bradley-Burns Uniform Local Sales and Use Tax (Bradley-Burns tax) revenue is more evenly distributed and remove the incentive for local jurisdictions to vie for commercial development as a means to increase their tax revenue, the Legislature should amend the Bradley-Burns tax law to allocate revenues from Internet sales based on the destination of sold goods (a destination-based allocation structure) rather than their place of sale (situs-based).	*	Legislature
2. To increase budgetary control and ensure that it has the information necessary to make decisions that reflect the State's best interests, the Legislature should regularly review and evaluate tax expenditures, including exemptions and exclusions to the Bradley-Burns tax and general sales and use taxes, by performing annual reviews of existing tax expenditures and eliminating those that no longer serve their intended purposes.	*	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To increase budgetary control and ensure that it has the information necessary to make decisions that reflect the State's best interests, the Legislature should regularly review and evaluate tax expenditures, including exemptions and exclusions to the Bradley-Burns tax and general sales and use taxes, by reviewing tax expenditures that have no stated legislative purpose and either adding clarifying language to those statutes or eliminating them.	*	Legislature
4. To increase budgetary control and ensure that it has the information necessary to make decisions that reflect the State's best interests, the Legislature should regularly review and evaluate tax expenditures, including exemptions and exclusions to the Bradley-Burns tax and general sales and use taxes, by requiring the Franchise Tax Board and the Department of Finance to include in their annual reports on tax expenditures the estimated costs of those expenditures before implementation compared to actual forgone revenues to date.	*	Legislature
5. To increase the tax bases for the general sales and use taxes and the Bradley-Burns tax, the Legislature should amend state law to specify that digital goods are taxable.	*	Legislature
6. To help address California's e-commerce tax gap and further ensure out-of-state retailers' compliance with state law regarding nexus, the California Department of Tax and Fee Administration should implement a two-year pilot of its authorized reward program for information resulting in the identification of unreported sales and use taxes.	*	Department of Tax and Fee Administration

Report Number 2017-103

Workers' Compensation Insurance: The State Needs to Strengthen Its Efforts to Reduce Fraud (December 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better ensure that the payments insurers issue to providers for workers' compensation claims are based on valid services, the Legislature should require workers' compensation insurers to periodically provide explanation of benefits statements to injured employees.	*	Legislature
2. To reduce insurers' potential underreporting of workers' compensation fraud, California Department of Insurance (CDI) should, by June 30, 2018, create a public report that ranks workers' compensation insurers based on the effectiveness of their antifraud efforts, including the rate at which they submit fraud referrals.	*	Department of Insurance
3. To reduce insurers' potential underreporting of workers' compensation fraud, CDI should, by June 30, 2018, add a requirement that it consider rates of fraud claim referrals when selecting insurers to audit and that it give priority to those insurers with high volumes of premiums and very low numbers of referrals.	*	Department of Insurance
4. To ensure the growth and effectiveness of its data analytics efforts to identify provider fraud, the Department of Industrial Relations should better document its data analytics effort within its protocol manual by June 30, 2018.	*	Department of Industrial Relations
5. To better address vacancies in its fraud investigator positions, CDI should, by June 30, 2018, develop and implement a retention plan. This plan should be based on the results of in-person exit interviews with separating staff or similar tools, such as satisfaction surveys, to identify and address potential causes for separation other than pay. CDI should share the results of any trends arising from its exit interviews as well as its analyses of survey responses with the appropriate units as it deems necessary.	*	Department of Insurance
6. To better address vacancies in its fraud investigator positions, CDI should, by June 30, 2018, revise its recruiting plan to include the recruitment and hiring of retired local law enforcement officers.	*	Department of Insurance
7. To better enable the Fraud Commission to determine an appropriate amount for the total annual fraud assessment, CDI should, within 60 days and periodically thereafter, meet with the Fraud Commission and agree upon specific information to include in the Fraud Division's report to the Fraud Commission. Additional information could, for example, include a comparison of proposed, projected, and actual expenditures by category for a specific fiscal year, calculated using a consistent methodology.	*	Department of Insurance

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. To better ensure the timely and effective use of fraud assessment funds to fight workers' compensation fraud in California, CDI should, by June 30, 2018, develop and implement a process to use its unspent funds to augment funding to district attorneys' offices rather than to offset collections from employers for subsequent years.	*	Department of Insurance

* The status of recommendations for audits issued between November and December 2017 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.

† As of December 31, 2017, the entity has not provided a response to the State Auditor.

Senate Budget & Fiscal Review Subcommittee 5 on Corrections, Public Safety and the Judiciary

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
12. California Correctional Health Care Services (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

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
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 child welfare services (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.	Pending	Alameda County

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	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.	Pending	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.	Fully Implemented	Riverside County
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.	Fully Implemented	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.	Will Not Implement	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.	Pending	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.	Fully Implemented	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	Riverside County
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.	Fully Implemented	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.	Will Not Implement	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 of California (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.	Partially Implemented	State Bar of California

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully 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
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.	Fully Implemented	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.	Fully Implemented	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.	No Action Taken	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.	No Action Taken	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.	No Action Taken	State Bar of California

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	No Action Taken	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.	No Action Taken	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.	Fully Implemented	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 (King City PD) 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.	Fully Implemented	King City
2. To provide for a more comprehensive review of complaints and to ensure that the public is aware of the King City PD's willingness to receive complaints in an open manner, the King City PD 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 King City PD should more prominently display complaint option information in its lobby.	Fully Implemented	King City
3. To provide for a more comprehensive review of complaints and to ensure that the public is aware of the King City PD's willingness to receive complaints in an open manner, the King City PD should perform outreach by December 2016, such as through informal surveys, to identify potentially unreported complaints.	Fully Implemented	King City
4. To provide for a more comprehensive review of complaints and to ensure that the public is aware of the King City PD's willingness to receive complaints in an open manner, the King City PD 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. King City should consider whether to establish a community advisory group, ombudsman position, or city council committee as an additional resource for receiving complaints.	Fully Implemented	King City
6. To better manage its operations related to issuing traffic citations, the King City PD should implement a process by March 2017 to verify quarterly the accuracy and completeness of the data in its records management system.	Fully Implemented	King City
7. To better manage its operations related to issuing traffic citations, the King City PD 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.	Fully Implemented	King City
8. To hold its officers accountable, the King City PD 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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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 King City PD 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 King City PD provide monthly tow reports to the city manager. The King City PD 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 King City PD should provide additional information in its monthly towing report by December 2016 about the reason that a vehicle was stopped and the reason the King City PD needed to tow the vehicle.	Fully Implemented	King City
11. To address community and city management concerns about its towing of vehicles, the King City PD 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 King City PD should develop a formal process by December 2016 for monitoring gasoline invoices and transactions. The King City PD 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 King City PD 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
13. To ensure that gasoline cards are used consistently and appropriately, the King City PD should develop a formal process by December 2016 for monitoring gasoline invoices and transactions. The King City PD should implement a policy that includes procedures for obtaining explanations for any gasoline purchase that appears out of the ordinary.	Fully Implemented	King City
14. To ensure that it is appropriately maintaining custody of evidence items and complying with Peace Office Standards and Training (POST) recommendations, the King City PD 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 King City PD 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.	Fully Implemented	King City
16. To ensure that it is appropriately maintaining custody of evidence items and complying with POST recommendations, the King City PD 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 King City PD should develop a process by September 2016 for the chief to review compliance with the monthly inspection requirement.	Fully Implemented	King City
18. To ensure that it is appropriately maintaining custody of evidence items and complying with POST recommendations, the King City PD 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 King City PD 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 King City PD should by September 2016 document its interview questions, including at least one question from each of the six areas in the POST interview guidelines.	Fully Implemented	King City

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
22. To work more effectively with community members, the King City PD 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.	Fully Implemented	King City
23. To work more effectively with community members, the King City PD 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 King City PD, the city council should consider the formation of a community advisory group.	Fully Implemented	King City
25. To ensure that its policy is being implemented correctly and to prevent further inappropriate reimbursements, King City should monitor at least semiannually the implementation of its new policy on expense approvals that it adopted in February 2016.	Fully Implemented	King City
26. To ensure that the King City PD appropriately budgets for planned expenses, King 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 King City PD 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.	Fully Implemented	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 the Department of Justice (Justice) as the state agency responsible for administering and overseeing CalGang or any equivalent statewide shared gang database.	Legislation Enacted	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.	Legislation Enacted	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.	Legislation Enacted	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.	Legislation Enacted	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Legislation Enacted	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.	Legislation Enacted	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.	Legislation Enacted	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.	Legislation Enacted	Legislature
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.	Pending	Department of Justice
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.	Pending	Department of Justice
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.	Pending	Department of Justice

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Pending	Department of Justice
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.	Pending	Department of Justice
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.	Pending	Department of Justice
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.	Pending	Department of Justice
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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	Department of Justice

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	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
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.	Partially Implemented	Santa Ana Police Department
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.	Fully Implemented	Santa Ana Police Department
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.	Pending	Santa Clara County Sheriff's Office
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.	Pending	Santa Clara County Sheriff's Office

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Will Not Implement	Sonoma County Sheriff's Office
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.	Will Not Implement	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	Superior Court of California, County of Tehama

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Fully Implemented	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.	Fully Implemented	Superior Court of California, County of Tehama
9. To ensure that it properly authorizes 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.	Fully Implemented	Superior Court of California, County of San Joaquin
10. To ensure that it properly authorizes 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.	Fully Implemented	Superior Court of California, County of San Joaquin
11. To ensure that it properly authorizes 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.	Fully Implemented	Superior Court of California, County of San Mateo
12. To ensure that it properly authorizes 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.	Fully Implemented	Superior Court of California, County of San Mateo
13. To ensure that it properly authorizes 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.	Will Not Implement	Superior Court of California, County of San Mateo

Report Number I2017-1

Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The California Department of Corrections and Rehabilitation (Corrections) should require the parole agent to submit a personal use certification for the personal use of her assigned state vehicles from June 2015 to present.	Fully Implemented	Department of Corrections and Rehabilitation
2. Corrections should review the duty statements of all employees within the parole division who have held the positions discussed in this report and who have state vehicles for their exclusive use to determine whether the assignments of state vehicles comply with the laws and policies of the State and the parole division. If Corrections determines that a vehicle assignment is appropriate, it should modify each employee's duty statement to indicate the percentage of time the employee should expect to perform fieldwork, ensure that the state vehicles assigned to these employees are not pool vehicles, and ensure that each employee has an approved home storage permit on file.	Fully Implemented	Department of Corrections and Rehabilitation
3. Corrections should discontinue the practice of assigning pool vehicles for the exclusive use of individuals to circumvent state laws and parole division policies.	Fully Implemented	Department of Corrections and Rehabilitation

4. Corrections should train all parole division employees who drive state vehicles about how to properly document their use of a state vehicle on their mileage logs, how to obtain a home storage permit and for whom it is necessary, how and when to submit a personal use certification reporting all personal commutes driven in a state vehicle.	Fully Implemented	Department of Corrections and Rehabilitation
5. Corrections should train all parole division supervisors who oversee employees with state vehicles regarding the department's policy for the proper usage and storage of state vehicles.	Fully Implemented	Department of Corrections and Rehabilitation
14. Corrections should seek repayment from the program chief for the \$2,520 in improper payments.	Fully Implemented	Department of Corrections and Rehabilitation
15. Corrections should revise the Institutional Worker Supervision Pay (IWSP) procedure to require that personnel staff review and ensure that an employee's direct supervisor signs the qualifying employee's timesheets and IWSP documents each month.	Partially Implemented	Department of Corrections and Rehabilitation
16. Corrections should ensure that all Corrections and Correctional Health Care organization charts are current and accurate and that the assigned personnel specialist has access to them.	Partially Implemented	Department of Corrections and Rehabilitation
17. Corrections should enforce its current procedure to retain IWSP documentation.	Partially Implemented	Department of Corrections and Rehabilitation
18. Corrections should enforce its current procedure for personnel staff to conduct annual audits of the IWSP program.	Partially Implemented	Department of Corrections and Rehabilitation
19. Corrections should train all employees, supervisors, and personnel staff who receive, approve, or issue the extra pay to ensure that they are familiar with the requirements of the IWSP procedure and Pay Differential 67.	Partially Implemented	Department of Corrections and Rehabilitation

Report Number 2016-126**California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities (March 2017)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the Department of Social Services (Social Services) receives all necessary information for making exemption decisions, the Legislature should amend state law to require Justice to send Social Services all available sentencing information for all convictions. Additionally, the Legislature should amend state law to require Justice to send juvenile criminal history information related to serious and violent felony offenses as well as any other juvenile criminal history that Social Services identifies as valuable to its exemption reviews.	Partially Implemented	Legislature
2. To ensure that any entity authorized by state or federal law to receive state or federal criminal history information subsequent to receiving the initial RAP sheet is informed of all criminal activity of an individual, the Legislature should amend state law to clearly direct Justice to transmit all convictions it receives to the entities authorized to receive subsequent criminal history and require Justice to obtain and transmit subsequent federal RAP sheets to all entities authorized to receive subsequent California criminal history information and to report to the Legislature periodically about its implementation efforts.	No Action Taken	Legislature
4. To ensure that Social Services receives all appropriate criminal history information, Justice should immediately update its procedures to accurately reflect that staff should disseminate nonreferable arrests when there is a corresponding conviction and ensure that staff follow these updated procedures.	Fully Implemented	Department of Justice
18. To ensure that Social Services receives criminal history information within 14 days of receiving an individual's fingerprint information, as state law requires, by July 2017 Justice should analyze its process, including delayed transmissions, implement changes to address problems it identifies, and regularly measure itself against the requirement to determine whether it is meeting its statutory requirement.	Pending	Department of Justice

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19. To ensure that it has complete disposition information, Justice should coordinate with the Judicial Council at least once a year to share information about court reporting gaps and to determine the need to distribute additional information to courts about reporting requirements and the manner in which to report. In addition, Justice should reconvene its advisory committee and meet on a regular basis to discuss, at a minimum, improving the frequency and timeliness with which courts report dispositions to Justice and law enforcement agencies report arrest information to Justice.	Pending	Department of Justice
20. To ensure that it is receiving all arrest information from law enforcement agencies, at a minimum, Justice should consider trends in the number of arrest reports each law enforcement agency sends it and the number of reports that it might expect to receive from an agency given the agency's size, location, and reporting history. Whenever Justice identifies a law enforcement agency that it determines may not be reporting all required information, it should request that the agency forward all required arrest information.	Pending	Department of Justice

Report Number 2017-030
The State Bar of California: It Needs Additional Revisions to Its Expense Policies to Ensure That It Uses Funds Prudently (June 2017)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies by continuing its negotiations with the union to transition represented employees to an eight-hour workday and a 40-hour workweek, and to implement new salary and job classifications.	Pending	State Bar of California
2. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies by implementing an eight-hour workday and a 40-hour workweek, as well as new salary and job classifications, for its nonrepresented employees by July 2017.	Fully Implemented	State Bar of California
3. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies by requiring a contribution rate to health care costs for nonrepresented employees that is equal to the contribution rate for represented employees by January 2018.	Fully Implemented	State Bar of California
4. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies for executive employees hired on or after January 1, 2018, to require that contributions to post-retirement health care costs are at a rate equivalent to their contributions during employment at the State Bar.	Fully Implemented	State Bar of California
5. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies by developing and adopting a formal policy by December 2017 to regularly compare staff compensation and benefits with those of comparable agencies.	Pending	State Bar of California
6. To assign purchasing cards only to appropriate staff, ensure that the State Bar's records of employees' credit limits reflect those established with the bank, and to verify that staff use purchasing cards only for allowable and necessary expenses, the State Bar should immediately develop a policy that requires justification of the business needs for employees to receive purchasing cards, and use this policy to limit the number of staff issued a purchasing card.	Pending	State Bar of California
7. To assign purchasing cards only to appropriate staff, ensure that the State Bar's records of employees' credit limits reflect those established with the bank, and to verify that staff use purchasing cards only for allowable and necessary expenses, the State Bar should immediately restrict the use of purchasing cards to its original purpose, which was for low-dollar and frequently occurring purchases. For purchases above \$5,000, the State Bar should require the vendor to bill for payment.	Pending	State Bar of California
8. To demonstrate its commitment to the board's prohibition of all State Bar spending on alcohol, the State Bar should immediately update its procurement manual to reflect this prohibition.	Fully Implemented	State Bar of California
9. To ensure that its costs are reasonable and appropriate, the State Bar should update its meal and catering policy to align with the meal policy of the State's Executive Branch and should require individuals attending committee meetings for the State Bar to comply with standard meal per diem rates.	Partially Implemented	State Bar of California

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To make certain that the costs for sections events are reasonable and prudent, the State Bar should require that the sections follow the State Bar's meal per diem and lodging rates, and require the sections to limit expenses for events to only those activities that are reasonable and necessary. For off-site events, the State Bar should require the sections to follow the State Bar's existing policy of providing written justification of a significant business need to hold the event off-site and obtain approval from the executive director or chief operating officer.	Resolved	State Bar of California
11. To ensure that its lobbying expenses are reasonable and cover only allowable activities, the State Bar should revise the terms of its pending lobbying contract to require that the lobbyists provide sufficiently detailed invoices that support the amounts they bill for their services.	Fully Implemented	State Bar of California
12. To ensure that it contracts only for appropriate and necessary services from outside law firms at a prudent rate, the State Bar should put its informal practice into a written policy regarding its assessment of the need for outside counsel, including whether the State Bar's attorneys can provide the specified legal services.	Pending	State Bar of California
13. To ensure that it contracts only for appropriate and necessary services from outside law firms at a prudent rate, the State Bar should put its informal practice into a written policy regarding its evaluation of the State Bar's past experiences with the law firms being considered.	Pending	State Bar of California
14. To ensure that it contracts only for appropriate and necessary services from outside law firms at a prudent rate, the State Bar should put its informal practice into a written policy regarding its process to select the outside legal firms, including documentation of proposals from other prospective law firms and the costs it considers reasonable for the legal services.	Pending	State Bar of California
15. To reduce its reliance on outside legal counsel, the State Bar should continue its efforts to hire staff to fill its remaining vacant attorney positions.	Pending	State Bar of California
16. To increase transparency, the State Bar should disclose annually to the board a list of all contracts with outside law firms—including a description of the services provided, the need for such contracts, and the value and length of the contracts.	Pending	State Bar of California
17. To better measure how well its attorney discipline program is meeting the State Bar's core mission to protect the public from attorney misconduct, the State Bar should, by December 2017, identify key goals and metrics for the attorney discipline system.	Pending	State Bar of California

Report Number 2016-131**California Department of Corrections and Rehabilitation: It Must Increase Its Efforts to Prevent and Respond to Inmate Suicides (August 2017)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To provide additional accountability for Corrections' efforts to respond to and prevent inmate suicides and attempted suicides, the Legislature should require that Corrections report to it in April 2018 and annually thereafter on the following issues: 1) its progress toward meeting its goals related to the completion of risk evaluations in a sufficient manner; 2) its progress toward meeting its goals related to the completion of 72-hour treatment plans in a sufficient manner; 3) the status of its efforts to ensure that all mental health staff receive required training and mentoring related to suicide prevention and response; 4) the status of its efforts to fill vacancies in its mental health treatment programs, especially its efforts to hire and retain psychiatrists; 5) its progress in implementing the recommendations made by the special master's experts, the court-appointed suicide expert, and its own reviewers regarding inmate suicides and attempts and Corrections should include in its report to the Legislature the results of any audits it conducts as part of its planned audit process to measure the success of changes it implements as a result of these recommendations; 6) its progress in identifying and implementing mental health programs that may ameliorate risk factors associated with suicides at the prisons.	No Action Taken	Legislature
2. Corrections should immediately require mental health staff to score 100 percent on risk evaluation audits in order to pass. If a staff member does not pass, Corrections should require the prison to follow its current policies by reviewing additional risk evaluations to determine whether the staff member needs to undergo additional mentoring.	Pending	Department of Corrections and Rehabilitation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that it identifies inmates who are at risk of attempting suicide and determines the treatments needed to prevent them from doing so, Corrections should immediately reevaluate and revise its goals for the percentage of risk evaluations that mental health staff must complete on time and for the percentage of risk evaluations that must pass its risk evaluation audits. It should set revised goals that better take into consideration the importance of mental health staff completing adequate risk evaluations in a timely matter. Corrections should require prisons that perform below its revised goals to develop improvement plans.	Pending	Department of Corrections and Rehabilitation
4. To improve the quality of its risk evaluations, by December 2017 Corrections should develop and incorporate into its electronic risk evaluation form prompts to aid mental health staff in completing adequate risk evaluations that meet all audit criteria.	Pending	Department of Corrections and Rehabilitation
5. To minimize the number of inmates who spend more than 24 hours in alternative housing, Corrections should use the audit process it is developing to monitor the amount of time inmates spend in alternative housing and annually reassess its need for additional crisis beds.	Fully Implemented	Department of Corrections and Rehabilitation
6. To ensure that prisons document the privileges, such as yard time, that inmates receive while in a crisis bed, Corrections should immediately require prisons to develop and formalize policies to record on their treatment plans the privileges inmates are allowed and receive while in a crisis bed.	Pending	Department of Corrections and Rehabilitation
7. To ensure that prison staff conduct required checks of inmates placed on suicide precaution in a timely manner, Corrections should implement its automated process to monitor suicide precaution checks in its electronic health record system by the time it is implemented systemwide in October 2017. Further, Corrections should train staff on how to plan for and conduct staggered suicide precaution checks.	Pending	Department of Corrections and Rehabilitation
8. To monitor prisons' compliance with its requirement that inmates in crisis beds receive daily progress notes, Corrections should implement monitoring of these notes electronically into its audit process by the time the electronic health record system is in use systemwide in October 2017. Corrections should require prisons that are out of compliance to develop and implement quality improvement plans, and it should follow up on the prisons' implementation of those plans.	Pending	Department of Corrections and Rehabilitation
9. To ensure that prison staff appropriately respond to attempted suicides, Corrections should implement its proposed changes to its emergency response policies regarding cut-down kits by December 2017 and should include in its policies a method for monitoring prisons' compliance.	Pending	Department of Corrections and Rehabilitation
10. To address the unique circumstances that may increase its female inmates' rates of suicide and suicide attempts, Corrections should implement its planned same-sex domestic violence curriculum by December 2017.	Pending	Department of Corrections and Rehabilitation
11. To address the unique circumstances that may increase its female inmates' rates of suicide and suicide attempts, Corrections should continue to explore additional programs that could address the suicide risk factors for female inmates.	Pending	Department of Corrections and Rehabilitation
12. To ensure that all prison staff receive required training related to suicide prevention and response, Corrections should immediately implement a process for identifying prisons where staff are not attending required trainings and for working with the prisons to solve the issues preventing attendance.	Pending	Department of Corrections and Rehabilitation
13. To ensure that trainers and risk evaluation mentors at all prisons are able to train staff effectively, Corrections should immediately begin requiring prisons to report the percentage of their trainers and mentors who have received training on how to conduct training and mentoring. It should work with prisons to ensure that all trainers and mentors receive adequate training.	Pending	Department of Corrections and Rehabilitation
14. To maximize the value of its trainings related to suicide prevention and response, Corrections should ensure that starting in January 2018, its trainings include all content that the special master and its own policies require.	Pending	Department of Corrections and Rehabilitation
15. To ensure that it has enough staff to provide mental health services to all inmates who require care, Corrections should review and revise its mental health staffing model by August 2018.	Pending	Department of Corrections and Rehabilitation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. To ensure that prisons comply with its policies related to suicide prevention and response, Corrections should continue to develop its audit process and implement it at all prisons by February 2018. The process should include, but not be limited to, audits of the quality of prisons' risk evaluations and treatment plans.	Pending	Department of Corrections and Rehabilitation
17. To ensure that prisons can easily access Corrections' current policies related to mental health, Corrections should ensure that its program guide is current and complete as it works to incorporate the program guide into regulations. Corrections should immediately begin working with federal court monitors to draft regulations.	Pending	Department of Corrections and Rehabilitation
18. To ensure that suicide prevention teams meet quorum requirements, Corrections should, starting January 2018, work with prisons that consistently fail to achieve a quorum to resolve issues that may be preventing the teams from having all required members present at meetings.	Pending	Department of Corrections and Rehabilitation
19. To eliminate confusion regarding suicide prevention team meeting attendance, Corrections should immediately update its program guide to clarify who is required to attend suicide prevention team meetings, which attendees may send designees, and the extent to which staff may fill multiple roles when meeting quorum requirements.	Pending	Department of Corrections and Rehabilitation
20. To ensure that suicide prevention teams exercise leadership at prisons, Corrections should immediately require them to use available information about critical factors—such as the number and nature of inmate self-harm incidents and the quality and compliance with the policy of risk evaluations and treatment plans—to identify systemic issues related to suicide prevention. Corrections should require the suicide prevention teams to assess lessons they can learn, create plans to resolve current issues, and prevent foreseeable problems in the future.	Pending	Department of Corrections and Rehabilitation
21. To provide the public and relevant stakeholders with accurate information on suicides and suicide attempts in its prisons, Corrections should immediately require prison staff to work with mental health staff to reconcile any discrepancies on suicides and suicide attempts before submitting numbers to the COMPSTAT unit.	Pending	Department of Corrections and Rehabilitation
22. To ensure that all its prisons provide inmates with effective mental health care, Corrections should continue to take a role in coordinating and disseminating best practices related to mental health treatment by conducting a best practices summit at least annually. The summits should focus on all aspects of suicide prevention and response, including programs that seek to improve inmate mental health and treatment of and response to suicide attempts. Corrections should document and disseminate this information among the prisons, assist prisons in implementing the best practices through training and communication when needed, and monitor and report publicly on the successes and challenges of adopted practices.	Pending	Department of Corrections and Rehabilitation
23. In an effort to prevent future inmate suicide attempts, Corrections should implement its plan to review attempts with the same level of scrutiny that it uses during its suicide reviews. Corrections should require each prison's suicide prevention team to identify for review at least one suicide attempt per year that occurred at its prison. To ensure that the reviews include critical and unbiased feedback, Corrections should either conduct these reviews itself or require the prisons to review each other. These reviews should start in September 2017 and follow the same timelines as the suicide reviews, with the timeline beginning once the team identifies a suicide attempt for review.	Pending	Department of Corrections and Rehabilitation

Report Number 2016-136***School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies (August 2017)***

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. The Legislature should require that the partnership between Education and Justice periodically review safety plan requirements to ensure that the plans keep pace with evolving school environments and updated educational research.	No Action Taken	Legislature
9. To ensure that districts, county offices, and schools receive guidance on a variety of safety issues and to comply with state law, Education and Justice should resume their partnership activities, as required by state law. Further, the partnership should update the 2002 handbook— <i>Safe Schools: A Planning Guide for Action</i> —and distribute it to all districts and county offices. If Education or Justice determine the need for additional funds to implement the legislative recommendations or to reestablish the partnership's activities, they should request those funds from the Legislature.	Pending	Department of Justice

Report Number I2017-2*Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. Corrections should issue a memo to all staff no later than November 2017, and annually thereafter, regarding the prohibition of raffles and the unauthorized sale of alcohol and ammunition.	Fully Implemented	Department of Corrections and Rehabilitation

Report Number 2017-101*Concealed Carry Weapon Licenses: Sheriffs Have Implemented Their Local Programs Inconsistently and Sometimes Inadequately (December 2017)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its concealed carry weapon (CCW) licensing decisions align with its CCW policy, Los Angeles County Sheriff's Department (Los Angeles) should only issue licenses to applicants after collecting documentation of specific, personal threats against the applicants so as to satisfy its definition of good cause. If Los Angeles believes that its public licensing policy does not include all acceptable good causes for a CCW license, then by March 2018 it should revise that policy and publish the new policy on its website. It should then immediately begin processing applications according to that revised policy.	*	Los Angeles County Sheriff's Department
2. To ensure that it only issues licenses to individuals after receiving evidence of residency, firearms training, and good moral character that aligns with its policy, Los Angeles should only issue licenses after verifying that it has received this evidence. To avoid overlooking required evidence, Los Angeles should create procedures by March 2018 for its staff to follow to ensure that each CCW file contains the evidence its policy requires before issuing the license.	*	Los Angeles County Sheriff's Department
3. To ensure that staff are gathering consistent evidence from applicants to demonstrate residency, good moral character, and firearms training and are including which requirement applicants did not meet in its denial letters, by March 2018 Sacramento County Sheriff's Department (Sacramento) should create formal CCW processing procedures and train its staff to follow these procedures. These procedures should require staff to gather and evaluate the information the department believes is required to demonstrate that each of the criteria for a CCW license has been met, and they should also require staff to include which requirement applicants did not meet in its denial letters.	*	Sacramento County Sheriff's Department
4. To ensure that staff are following its newly established procedures and to identify any need for additional guidance, by March 2018 Sacramento should establish a review process wherein it regularly reviews a selection of license files and denied applications to determine whether its staff are collecting sufficient and consistent documentation in accordance with its policies and are appropriately including which requirement applicants did not meet in its denial letters.	*	Sacramento County Sheriff's Department
5. To ensure that its staff appropriately renew CCW licenses, by March 2018 San Diego County Sheriff's Department (San Diego) should establish a routine supervisory review of a selection of renewed licenses.	*	San Diego County Sheriff's Department
6. To ensure that it consistently obtains sufficient evidence to demonstrate that an applicant satisfies its requirements for a license, by March 2018 San Diego should develop guidance and train its staff on what good cause documentation staff should request from applicants. Further, it should train its staff regarding the expected documents for residency and training.	*	San Diego County Sheriff's Department
7. To ensure that it provides all required information to Justice, Sacramento should immediately inform Justice when it revokes a CCW license, including when it receives a prohibition notice from Justice.	*	Sacramento County Sheriff's Department
8. To ensure that it follows state law's requirements for revoking licenses, San Diego should immediately revoke CCW licenses and should then inform Justice that it has revoked licenses whenever license holders become prohibited persons. Additionally, San Diego should notify Justice when it suspends a license or a license is surrendered.	*	San Diego County Sheriff's Department

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. The Legislature should amend state law to clarify that licensing authorities can increase fees for CCW applications, renewals, and modifications above \$100, \$25, and \$10, the respective maximum amounts specified in state law, provided that the fee for an initial application does not exceed the authorities' actual costs and that the rate of increase for any of the fees does not exceed that of the CCPI.	*	Legislature
10. To ensure that it is only charging fees that state law allows, Los Angeles should immediately cease charging applicants fees in addition to its license processing fee. Los Angeles should reimburse applicants who paid the unallowable fees. Further, if Los Angeles believes its license fee does not recover its entire cost of processing an initial application, it should complete a cost study and, if appropriate, revise its fee according to the results of that study and the maximum allowed fees under state law.	*	Los Angeles County Sheriff's Department
11. To ensure that it is maximizing allowable revenue from the CCW program and reducing its program deficits, Sacramento should perform a cost study of its initial application processing and, on completion of the study, immediately increase its CCW license fees and begin charging the maximum amounts allowable under state law.	*	Sacramento County Sheriff's Department
12. To ensure that it maximizes allowable revenue from its CCW program, San Diego should immediately pursue increasing its initial, renewal, and amendment fees to the maximum amounts allowable under state law.	*	San Diego County Sheriff's Department

Report Number 2017-302***Judicial Council of California: It Needs to Follow Competitive Bidding Processes More Consistently and Establish Clear Guidance for Invoice Processing (December 2017)***

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To help ensure that it obtains the best value for the goods and services it purchases and that its staff take the steps necessary to comply with the judicial contracting manual, the Judicial Council should continue to reinforce with staff through management memos, training, or other formal means the need to: Ensure that the person with the appropriate level of authority approves purchases; obtain authorized approvers' signatures for noncompetitive procurements; properly document justification for noncompetitive procurements; and not exclude potential vendors from bidding based on assumptions about their prices.	*	Judicial Council of California
2. To better align the judicial contracting manual with state requirements and to make certain that it receives the best value for services, the Judicial Council should update by March 2018 the judicial contracting manual's guidance on contract splitting and sole-source procurements to reflect the more specific definitions in the state contracting manual.	*	Judicial Council of California
3. To ensure that Judicial Council staff have the information they need to process invoices appropriately and to comply with the judicial contracting manual, the Judicial Council should develop by June 2018 one document with clear invoice-processing procedures for its accounting staff. This document should define the steps for processing invoices related to different types of purchase agreements and common exceptions to the typical process, including instructions for handling invoices processed on behalf of other Judicial Branch entities.	*	Judicial Council of California
4. By June 2018, the Judicial Council should fully implement the State Auditor's recommendation from 2013 related to controls over its information systems.	*	Judicial Council of California
5. To prevent misinterpretation of policies governing its procurement practices, the Judicial Council should reissue its local manual by June 2018, incorporating all updates made since the 2011 version of the manual.	*	Judicial Council of California
6. To help ensure that the Judicial Council complies with state reporting requirements related to conflicts of interest, it should report to the appropriate authority any staff who do not file statements of economic interests after reasonable attempts to prompt them to file, as described in guidance from the Fair Political Practices Commission. Further, the Judicial Council should complete its procedures to improve compliance and implement them beginning in January 2018.	*	Judicial Council of California

* The status of recommendations for audits issued between November and December 2017 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.

† As of December 31, 2017, the entity has not provided a response to the State Auditor.

Table 2
Monetary Values
January 1, 2010, Through December 31, 2017

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
Total for January 1, 2010, Through December 31, 2017		\$1,740,634,150
Total for July 1, 2017, Through December 31, 2017		\$56,729,300
Total One-Time Benefits for July 1, 2017, Through December 31, 2017		\$22,700
I2017-2 (October 2017) (Allegations I2015-0959, I2016-0604, and I2016-0244)	<i>Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources</i>	
	Cost Savings/Avoidance—Atascadero State Hospital failed to ensure the accuracy of a psychiatric technician's attendance records resulting in about \$7,500 in improper overtime pay from July 2015 through June 2016.	\$7,500
	Cost Savings/Avoidance—Two managers at the Department of Water Resources (Water Resources) failed to ensure the accuracy of the time and attendance records of an administrative supervisor from 2008 to 2016. As a result, based on the limited data available, the administrative supervisor undercharged her leave by as many as 149 hours over a six-month period, at an estimated cost to the state almost \$5,200. However, based on the administrative supervisor's pattern of attendance and her failure to charge leave for partial-day absences during her nearly eight years of state employment, the actual cost to the State was likely much greater.	5,200
2017-302 (December 2017)	<i>Judicial Council of California: It Needs to Follow Competitive Bidding Processes More Consistently and Establish Clear Guidance for Invoice Processing</i>	
	Cost Savings/Avoidance—The Judicial Council may have missed savings of about \$10,000 when it entered into a series of 25 contracts with the same vendor over two years instead of obtaining a master agreement with the vendor for a lower hourly rate.	\$10,000
Annualized Carry Forward for July 1, 2017, Through December 31, 2017		\$56,706,600
2002-009 (April 2003)	California Energy Markets	\$14,500,000
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	90,500
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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
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
2015-806 (August 2016)	City of Hemet	1,551,500
2015-803 (October 2016)	City of Maywood	12,500
2016-111 (November 2016)	City of Irwindale	1,760,000
2016-121 (April 2017)	Department of Motor Vehicles	95,000
Total for July 1, 2016, Through June 30, 2017		\$164,729,650
Total One-Time Benefits for July 1, 2016, Through June 30, 2017		\$10,493,450
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)	<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 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. Additionally, 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.	3,200
	Cost Recovery—The 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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2015-803 (October 2016)	City of Maywood: Its Flawed Governance and Financial Mismanagement Could Compromise the Basic Services It Provides to Residents	
	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 license. 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)	Los Angeles County: Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue	
	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)	Trade Apprenticeship Programs: The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association’s Sheet Metal Program	
	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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2016-111 (November 2016)	City of Irwindale: It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents	
	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.	See annualized benefits below
	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
	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
I2017-1 (March 2017) (Allegations I2016-0112, I2015-0736, I2015-0576, I2016-0015, I2016-0195, I2016-0276)	Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments	
	Wasted Funds—A parole agent with the Department of Corrections and Rehabilitation (Corrections) misused a state vehicle for her personal commute between January 2016 and July 2016 at a total cost to the state of about \$3,800.	3,800
	Wasted Funds—An analyst at the Caltrans misused state time by regularly taking excessive smoking breaks and extended lunches during her workdays, and she violated state law and a Caltrans directive regarding incompatible activities. We estimate that on average, the analyst misused 130 hours of state time from July 2015 to March 2016 at a total cost to the state of about \$4,300.	4,300
	Wasted Funds—A pharmacist at a state hospital failed to charge sufficient leave for absences and was overpaid for standby hours between January 2014 through August 2015 for a combined total of 99 hours. The combined 99 hours of undercharged leave and the overcompensated time represents a total cost to the state of \$5,000.	5,000
	Cost Recovery—The California Institution for Women (CIW) improperly paid a program chief a total of \$2,520 from March 2015 through September 2015 in the form of a monthly \$360 Institutional Worker Supervision Pay differential intended for those involved in the supervision of inmate workers. In addition, Corrections paid the program chief \$1,080 in extra pay between December 2014 and February 2015 even though it did not maintain the initial approving paperwork on file to authorize these payments.	3,600
	Cost Recovery—California State University, San Diego erroneously paid a maintenance employee amounts totaling an additional \$2,100 from June 2015 to June 2016 because of an inaccurate hire date in a computer system.	2,100
	Wasted Funds—A full-time library employee at California State University, Fresno (Fresno State) misused a university resource by visiting more than 48,300 webpages largely related to online videos and games from May 2015 through May 2016. The library employee may have misused as many as 85 hours of Fresno State time for a representative one-month period. Over the course of the 13 months reviewed, we estimate that this misused time may have cost Fresno State as much as \$22,200.	22,200

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2016-121 (April 2017)	<i>Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards</i>	
	Increased Revenue—Officials at all six cities stated that they do not make use or were not aware of a provision in state law that allows local governments to pass ordinances to increase penalties for placard misuse by \$100 per citation. For example, Los Angeles Department of Transportation reported that the city issued almost 1,900 citations in 2016. If Los Angeles increased its placard misuse penalty by the additional \$100, it might have raised nearly \$190,000 in additional revenue for placard enforcement.	See annualized benefits below
	Lost Revenue—We estimate that the city of San Francisco missed out on at least \$3.4 million in annual parking revenue based on a 15 percent rate of misuse due to people parking for free with disabled placards or plates.	\$3,400,000
Annualized Carry Forward for July 1, 2016, Through June 30, 2017		\$154,236,200
2002-009 (April 2003)	California Energy Markets	\$29,000,000
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)	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
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
2015-127 (April 2016)	Franchise Tax Board/ Corporate Tax Expenditures	40,000,000
2015-806 (August 2016)	City of Hemet	3,103,000
2015-803 (October 2016)	City of Maywood	25,000
2016-111 (November 2016)	City of Irwindale	3,520,000
2016-121 (April 2017)	Department of Motor Vehicles	190,000
Total for July 1, 2015, Through June 30, 2016		\$147,198,000
Total One-Time Benefits for July 1, 2015, Through June 30, 2016		\$39,700,800

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2015-502 (July 2015)	Follow-Up—California Department of Social Services: Although Making Progress, It Could Do More to Ensure the Protection and Appropriate Placement of Foster Children	
	Cost Savings—The 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
2014-130 (August 2015)	California Department of Health Care Services: It Should Improve Its Administration and Oversight of School-Based Medi-Cal Programs	
	Cost Savings/Avoidance—When the Department of Health Care Services (Health Care Services) implemented a random moment 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)	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	
	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, 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 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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2016-1 (February 2016) (Allegations I2015-0478, I2014-0970, I2015-0084, and I2014-1285, I2014-0948, I2014-1576, I2013-1633)	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	
	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 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
	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 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, the Department of Resources Recycling and Recovery (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)	State Board of Equalization: Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible	
	Cost Savings/Avoidance—Although the number of locations licensed by retailers, distributors, and wholesalers has declined, the State 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)	California Department of Transportation: Its Maintenance Division's Allocations and Spending for Field Maintenance Do Not Match Key Indicators of Need	
	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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2015-127 (April 2016)	Corporate Income Tax Expenditures: The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness 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 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
2015-047 (May 2016)	The State Bar of California: Its Lack of Transparency Has Undermined Its Communications With Decision Makers and Stakeholders 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
Annualized Carry Forward for July 1, 2015, Through June 30, 2016		\$107,497,200
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
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)	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
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
Total for July 1, 2014, Through June 30, 2015		\$107,860,200
Total One-Time Benefits for July 1, 2014, Through June 30, 2015		\$12,879,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2013-119 (August 2014)	California Department of Health Care Services: Its Failure to Properly Administer the Drug Medi-Cal Treatment Program Created Opportunities for Fraud	
	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 the Department of Alcohol and Drug Programs 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)	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	
	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)	Judicial Branch Procurement: Superior Court of California, County of Alameda: Five Superior Courts Did Not Consistently Follow Judicial Branch Contracting Practices	
	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 State Administrative Manual and the State Contracting Manual 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)	California Department of Health Care Services: Weaknesses in Its Medi-Cal Dental Program Limit Children's Access to Dental Care	
	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

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I2014-1 (December 2014) (Allegations I2010-1250, I2012-0355, I2011-0878)	<i>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</i>	
	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
	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)	<i>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</i>	
	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 pay 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"> • approximately \$25,000 spent on travel expenses for executive managers who work in different locations than the majority of their staff • a salary differential of \$47,000 annually paid to AOC's internal audits office • an excess \$5 million annually spent on rent 	25,000
	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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2014-118 (January 2015)	California Department of Developmental Services: Its Process for Assessing Fees Paid by Parents of Children Living in Residential Facilities Is Woefully Inefficient and Inconsistent Lost Revenue—The 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
2014-113 (January 2015)	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 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)	University of California, Davis: It Has Not Identified Future Financing for the Strawberry Breeding Program nor Collected All Available Revenues Lost Revenue—Under the terms of the strawberry program's licensing agreements, 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
Annualized Carry Forward for July 1, 2014, Through June 30, 2015		\$94,981,200
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

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2014-107 (January 2015)	Administrative Office of the Courts	\$13,893,500
2014-113 (January 2015)	Department of Public Health	500,000
Total for July 1, 2013, Through June 30, 2014		\$594,777,000
Total One-Time Benefits for July 1, 2013, Through June 30, 2014		\$516,780,000
2012-118 (July 2013)	<i>California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenor in Accordance With State Law</i>	
	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)	<i>Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System</i>	
	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)	<i>California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty</i>	
	Wasted Funds—The administrator of a veterans home operated by the 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)	<i>Employment Development Department: It Failed to Participate in a Federal Program That Would Have Allowed the State to Collect Hundreds of Millions of Dollars</i>	
	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)	<i>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun</i>	
	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 (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 board carries out our recommendations regarding the purchase of airline tickets, we estimate \$36,000 in continuing annual savings through cost avoidance.	71,000
Annualized Carry Forward for July 1, 2013, Through June 30, 2014		\$77,997,000
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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
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
Total for July 1, 2012, Through June 30, 2013		\$140,107,000
Total One-Time Benefits for July 1, 2012, Through June 30, 2013		\$32,600,000
2011-120 (August 2012)	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 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.	Benefit begins next fiscal year
2012-105 (November 2012)	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 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)	Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management 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)	Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees Cost Recovery—A Franchise Tax Board (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

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I2012-1 (December 2012) (Allegation I2008-1217)	<p>Employment Development Department: Investigations of Improper Activities by State Employees</p> <p>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 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.</p>	\$93,000
I2012-1 (December 2012) (Allegation I2009-1341)	<p>California State Athletic Commission: Investigations of Improper Activities by State Employees</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 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
I2012-1 (December 2012) (Allegation I2009-1218)	<p>Department of Fish and Game†: Investigations of Improper Activities by State Employees</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>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</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>Natural Resources Agency: Investigations of Improper Activities by State Employees</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>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2012-1 (December 2012) (Allegation I2010-1022)	<p>University of California, Office of the President: Investigations of Improper Activities by State Employees</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
I2005-2 (Allegations I2004-0649, I2004-0681, I2004-0789) (December 2012 Update)	<p>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</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>State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question</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 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>California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property</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
		14,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2012-110 (April 2013)	Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported 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.	\$12,000,000
12010-1045 (June 2013)	California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees 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. 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.	127,000 43,000
Annualized Carry Forward for July 1, 2012, Through June 30, 2013		\$107,507,000
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
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 [§]	10,300,000
12005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
12006-1 (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
12008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
12008-1 (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
12011-1 (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
Total for July 1, 2011, Through June 30, 2012		\$131,432,000
Total One-Time Benefits for July 1, 2011, Through June 30, 2012		\$21,037,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-125 (August 2011)	State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund	
	Increased Revenue—The State Lands Commission (Lands Commission) should develop and adhere to policies and procedures that incorporate the State Administrative Manual’s guidance, including a process for consistently tracking delinquent leases. Also, the Lands Commission should continue to implement its newly established holdover reduction procedures and evaluate whether the procedures are having their intended effect. Additionally, the Lands 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 Lands Commission should amend its regulations for establishing pipeline rents on state land.	\$8,320,000
I2011-1 (August 2011) (Allegation I2009-0644)	Department of Mental Health[†]: Investigations of Improper Activities by State Employees	
	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)	California Energy Commission: Investigations of Improper Activities by State Employees	
	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)	Department of Fish and Game[‡]: Investigations of Improper Activities by State Employees	
	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)	State Controller’s Office: Investigations of Improper Activities by State Employees	
	Cost Recovery—An employee of the State Controller’s Office (Controller’s Office) failed to report an estimated 322 hours of absences over an 18-month period. The Controller’s Office should seek reimbursement from the employee for the wages she did not earn.	7,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain	
	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)	Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California’s Job Seekers Find Employment	
	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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2011-119 (June 2012)	<i>Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately</i>	
	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
Annualized Carry Forward for July 1, 2011, Through June 30, 2012		\$110,395,000
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 ^S	4,600,000
I2004-2 (September 2004)	Department of Health Services ^S (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 ^S	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
Total for July 1, 2010, Through June 30, 2011		\$332,054,000
Total One-Time Benefits for July 1, 2010, Through June 30, 2011		\$209,059,000
2009-114 (July 2010)	<i>Department of General Services: It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises</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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-106 (October 2003; August 2010 Update)	State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reform of the Process Cost Recovery—We recommended that the Controller’s Office audit Peace Officers Procedural Bill of Rights (POBOR) claims that had been paid. In 2010, the Controller’s Office 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)	Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers 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
2010-106 (November 2010)	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 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
I2010-2 (January 2011) (Allegation I2008-1024)	Department of General Services: Investigations of Improper Activities by State Employees 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
Annualized Carry Forward for July 1, 2010, Through June 30, 2011		\$122,995,000
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2002-118 (April 2003)	Department of Health Services [§]	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 [§]	4,600,000
I2004-2 (September 2004)	Department of Health Services [§] (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 [§]	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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
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
Total for January 1, 2010, Through June 30, 2010		\$65,747,000
Total One-Time Benefits for January 1, 2010, Through June 30, 2010		\$8,544,000
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
2010-108 (June 2010)	<i>Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts</i>	
	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
12010-1 (June 2010) (Allegation I2008-1066)	<i>Department of Industrial Relations: Investigations of Improper Activities by State Employees</i>	
	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
12010-1 (June 2010) (Allegation I2008-0920)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	
	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
12010-1 (June 2010) (Allegation I2008-1037)	<i>California State University, Northridge: Investigations of Improper Activities by State Employees</i>	
	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
Annualized Carry Forward for January 1, 2010, Through June 30, 2010		\$57,203,000
2002-009 (April 2003)	California Energy Markets	\$14,500,000
2002-118 (April 2003)	Department of Health Services [§]	10,000,000
2003-106 (October 2003)	State Mandates	3,800,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	10,350,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-124 (August 2004)	Department of Health Services ^S	\$2,300,000
I2004-2 (September 2004)	Department of Health Services ^S (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	18,000
2004-134 (July 2005)	State Athletic Commission	16,500
2004-125 (August 2005)	Department of Health Services ^S	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 [‡] (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
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	30,500

Benefits identified prior to 2008, but have annualized carry forward values

2002-009 (April 2003)	<p>California Energy Markets: <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></p> <p>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.</p>
2002-118 (April 2003)	<p>Department of Health Services^S: <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></p> <p>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.</p>
2003-125 (July 2004)	<p>California Department of Corrections^{II}: <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></p> <p>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.</p>

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-124 (August 2004)	Department of Health Services^S: Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program	
	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)	Department of Health Services^S: Investigations of Improper Activities by State Employees	
	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)	Military Department: Investigations of Improper Activities by State Employees	
	Cost Savings/Avoidance—We found that the Military Department improperly granted employees an increase in pay they were not entitled to receive. Because the Military Department 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)	Department of Corrections^{II}: Although Addressing Deficiencies in Its Employee Disciplinary Practices, the Department Can Improve Its Efforts	
	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.	
I2005-1 (March 2005) (Allegation I2003-0834)	Department of Corrections^{II}: Investigations of Improper Activities by State Employees	
	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.	
2004-033 (May 2005)	Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies	
	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.	
	Cost Recovery—As we recommended, Health Services ^S 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.	
2004-113 (July 2005)	Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs	
	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.	
	Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees.	
2004-134 (July 2005)	State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered	
	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.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2004-125 (August 2005)	Department of Health Services^S: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements	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.
12005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	Department of Corrections^{ll}: Investigations of Improper Activities by State Employees	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.
12006-1 (March 2006) (Allegation I2004-1057)	Department of Fish and Game[‡]: Investigations of Improper Activities by State Employees	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)	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	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 I2006-0665)	Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees	Wasted Funds— Corrections leased 29 parking spaces at a private parking facility but did not use them.
12008-1 (April 2008) (Allegation I2006-1040)	Department of Social Services: Investigations of Improper Activities by State Employees	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)	Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal	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)	California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources	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.

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2009-030 (July 2009)	State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs	
	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.	
2009-043 (November 2009)	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	
	Increased Revenue—The Board of 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 board will collect an additional \$8,640 annually based on the current surcharge of \$9 per trainee.	
	Cost Savings—The 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 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.	

* 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.