

Report 2016-406 S

# Implementation of State Auditor's Recommendations

**Special Report to  
Senate Budget Subcommittees**

Reports Released From January 2014  
Through December 2015

COMMITMENT

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February 2, 2016

2016-406 S

Dear Members of the Senate Budget Committee:

The California State Auditor presents this special report for the legislative budget subcommittees, which summarizes audits and investigations we issued from January 2014 through December 2015. The purpose of this report is to assist the Senate Budget and Fiscal Review Committee in identifying issues it may want to explore in subcommittee hearings. It is intended to provide transparency in what actions, if any, audited and investigated entities have taken in response to our specific findings and recommendations. This report includes the status of actions taken to implement our recommendations that were reported to us by the audited and investigated entities and evaluated by our office as of December 31, 2015. To better assist you, we have highlighted those recommendations that remain not fully implemented.

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

This report is organized by recommendations that fall within the jurisdiction of each of the individual Senate Budget and Fiscal Review Subcommittees. For example, the section for Senate Subcommittee 1 on Education identifies report recommendations our office made on issues ranging from addressing sexual violence on college campuses to the appropriate use of cafeteria funds at K-12 school districts. The section for Senate Subcommittee 3 on Health and Human Services identifies report recommendations on issues ranging from investigations of complaints against Long-Term Health Care facilities to oversight of school-based Medi-Cal programs.

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 auditor's assessment of the entity's actions can be accessed on our website at [www.auditor.ca.gov](http://www.auditor.ca.gov) under the "Publications" tab.

Our audit efforts bring the greatest return when the entity acts upon our findings and recommendations. Table 2 summarizes the monetary value associated with certain findings from reports we issued during the period January 1, 2008, through December 31, 2015. We have indicated the nature of the monetary value in the following categories: cost recovery,

*continued on next page...*

cost savings, cost avoidance, increased revenue, and wasted funds. We estimate that if entities implemented our recommendations contained in these reports, they could realize more than \$1.9 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending.

For example, in our January 2015 report on an audit of the Judicial Branch of California's administrative functions, we reported that the Judicial Council and its Administrative Office of the Courts (AOC) did not maximize the funds available for the courts due to questionable fiscal and operational decisions. We identified nearly \$14 million that the AOC used to provide its employees excessive salaries and generous benefits compared to similar executive branch salaries and benefits. Additionally, the AOC made other costly decisions such as using contractors rather than using state employees in comparable positions and maintaining three work locations rather than maintaining one where property lease rates are lower.

In another example, in August 2015 we reported that the Department of Health Care Services has lost out on claiming federal reimbursements of nearly \$14.8 million applicable to the School-Based Medi-Cal Administrative Activities program. The department has not adequately maximized schools' participation and could have increased the reimbursement rate for translation activities to the rate allowed by federal law.

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

Respectfully submitted,



ELAINE M. HOWLE, CPA  
State Auditor

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**Recommendation Status Summary**

<b>Senate Budget &amp; Fiscal Review Subcommittee 1 on Education</b>		
<b>Report Number 2013-111</b>		
<i>UCLA and UCSF Medical Centers: Although They Supply Significant Monetary Support to Their Campuses' Schools of Medicine, Their Finances and Key Measures of Patient-Care Quality Have Remained Stable (January 2014)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The University of California (university) should take steps to increase the transparency of its campuses' health system support transfers. Specifically, the university should establish a process ensuring that it annually issues a report through its website that is available to the public and that describes the financial and programmatic impact of each campus's health system support transfers.	Fully Implemented	University of California

  

<b>Report Number 2013-046</b>		
<i>Cafeteria Funds: Local Education Agencies Generally Use the Funds for Appropriate Purposes (February 2014)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Anaheim Union High School District
2. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Bakersfield City School District
3. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Elk Grove Unified School District
4. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Los Banos Unified School District
5. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Madera Unified School District
6. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Mendota Unified School District
7. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Merced City School District
8. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Napa Valley Unified School District
9. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	North Monterey County Unified School District
10. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Oakland Unified School District
11. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Paramount Unified School District
12. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Ravenswood Unified School District
13. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	San Diego Unified School District
14. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	San Francisco Unified School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Stockton Unified School District
16. Local Education Agencies that used cafeteria funds for unallowable purposes should reimburse the cafeteria fund for those costs by June 30, 2014, if it has not already done so.	Fully Implemented	Sweetwater Union High School District
17. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Anaheim Union High School District
18. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Bakersfield City School District
19. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Elk Grove Unified School District
20. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Los Banos Unified School District
21. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Madera Unified School District
22. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Mendota Unified School District
23. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Merced City School District
24. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Napa Valley Unified School District
25. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	North Monterey County Unified School District
26. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Oakland Unified School District
27. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Paramount Unified School District
28. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Ravenswood Unified School District
29. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	San Diego Unified School District
30. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	San Francisco Unified School District
31. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Stockton Unified School District
32. Local Education Agencies that used cafeteria funds for unallowable purposes should, by June 30, 2014, review all guidance from the U.S. Department of Agriculture and the California Department of Education to better understand what these funds can be used for.	Fully Implemented	Sweetwater Union High School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
33. With regard to excess net cash resources, Local Education Agencies should develop a spending plan to eliminate their net cash resources in excess of the amount allowed by June 30, 2014.	Fully Implemented	Anaheim Union High School District
34. With regard to excess net cash resources, Local Education Agencies should develop a spending plan to eliminate their net cash resources in excess of the amount allowed by June 30, 2014.	Fully Implemented	Los Banos Unified School District
35. With regard to excess net cash resources, Local Education Agencies should develop a spending plan to eliminate their net cash resources in excess of the amount allowed by June 30, 2014.	Fully Implemented	North Monterey County Unified School District
36. With regard to excess net cash resources, Local Education Agencies should submit a spending plan to CDE for approval by June 30, 2014.	Fully Implemented	Anaheim Union High School District
37. With regard to excess net cash resources, Local Education Agencies should submit a spending plan to CDE for approval by June 30, 2014.	Fully Implemented	Bakersfield City School District
38. With regard to excess net cash resources, Local Education Agencies should submit a spending plan to CDE for approval by June 30, 2014.	Fully Implemented	Los Banos Unified School District
39. With regard to excess net cash resources, Local Education Agencies should submit a spending plan to CDE for approval by June 30, 2014.	Fully Implemented	North Monterey County Unified School District
40. With regard to excess net cash resources, Local Education Agencies should submit a spending plan to CDE for approval by June 30, 2014.	Fully Implemented	San Bernardino City Unified School District
41. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Bakersfield City School District
42. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Elk Grove Unified School District
43. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Long Beach Unified School District
44. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Mendota Unified School District
45. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Merced City School District
46. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Napa Valley Unified School District
47. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	North Monterey County Unified School District
48. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Oakland Unified School District
49. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Paramount Unified School District
50. With regard to nonprogram foods, Local Education Agencies should create and implement a system to track their nonprogram foods costs and/or nonprogram foods revenues by June 30, 2014.	Fully Implemented	Ravenswood Unified School District
51. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Bakersfield City School District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
52. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Elk Grove Unified School District
53. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Long Beach Unified School District
54. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Mendota Unified School District
55. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Merced City School District
56. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Napa Valley Unified School District
57. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	North Monterey County Unified School District
58. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Oakland Unified School District
59. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Paramount Unified School District
60. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Ravenswood Unified School District
61. With regard to nonprogram foods, Local Education Agencies should determine whether they are generating at least the minimum required amount of nonprogram foods revenues and, if they are not, make the adjustments necessary to generate in fiscal year 2014–15 the amount of nonprogram foods revenues needed to meet federal requirements.	Fully Implemented	Sweetwater Union High School District
62. To ensure that the spending plans Local Education Agencies (LEAs) create to eliminate excess net cash resources in their cafeteria funds are adequate, effective, and fully executed, the California Department of Education (CDE) should, by July 1, 2015, begin requiring LEAs to develop a spending plan, or revise an existing spending plan if it will not fully reduce the entire excess, and submit it to CDE for approval within three months after the end of each fiscal year that their cafeteria funds have net cash resources above the federal limit.	Fully Implemented	California Department of Education
63. To ensure that the spending plans Local Education Agencies (LEAs) create to eliminate excess net cash resources in their cafeteria funds are adequate, effective, and fully executed, the California Department of Education should, by July 1, 2015, make adjustments in the rate of reimbursement to an LEA under the child nutrition programs if that LEA cannot eliminate its entire excess net cash resources within a defined time frame.	Fully Implemented	California Department of Education

**Report Number 2013-045**

*Bureau for Private Postsecondary Education: It Has Consistently Failed to Meet Its Responsibility to Protect the Public's Interests (March 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it does not create unnecessary delays for institutions that desire to operate within the State, the Bureau for Private Postsecondary Education (bureau) should reduce its backlog of licensing applications by reviewing and streamlining the applications process.	Fully Implemented	Bureau for Private Postsecondary Education
2. To ensure that it does not create unnecessary delays for institutions that desire to operate within the State, the bureau should develop a process for tracking the status of the applications it receives.	Fully Implemented	Bureau for Private Postsecondary Education
3. To ensure that it does not create unnecessary delays for institutions that desire to operate within the State, the bureau should specify a time frame within which staff must process applications.	Fully Implemented	Bureau for Private Postsecondary Education
4. To ensure that it does not create unnecessary delays for institutions that desire to operate within the State, the bureau should update its procedures to include the time frames for processing applications.	Fully Implemented	Bureau for Private Postsecondary Education
5. To ensure that it does not create unnecessary delays for institutions that desire to operate within the State, the bureau should track the time its staff take to perform each step of the licensing process.	Fully Implemented	Bureau for Private Postsecondary Education
6. To ensure that it does not create unnecessary delays for institutions that desire to operate within the State, the bureau should use available resources—such as visiting committees—to assist in processing the applications.	Fully Implemented	Bureau for Private Postsecondary Education
7. To comply with state law, the bureau needs to establish a proactive program to identify unlicensed institutions.	Fully Implemented	Bureau for Private Postsecondary Education
8. To ensure that the unlicensed institutions it identifies cease to operate, the bureau needs to use the enforcement mechanisms that state law provides for sanctioning unlicensed institutions and track all relevant information related to its enforcement actions against these institutions.	Fully Implemented	Bureau for Private Postsecondary Education
9. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should establish a schedule that maps out its anticipated announced and unannounced inspection dates for each of the institutions it regulates, and ensure that the schedule is consistent with state law.	Fully Implemented	Bureau for Private Postsecondary Education
10. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should prioritize its announced and unannounced inspections to focus on those institutions that have a higher risk of noncompliance.	Not Fully Implemented	Bureau for Private Postsecondary Education
11. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should seek official clarification from its legal counsel and the federal government regarding whether it must conduct compliance inspections for educational institutions approved through accreditation by July 1, 2014.	Fully Implemented	Bureau for Private Postsecondary Education
12. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should establish a mechanism for tracking the amount of time its staff take to complete each step of its announced inspection process.	Fully Implemented	Bureau for Private Postsecondary Education
13. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should continue its efforts to streamline its announced inspection process in order to reduce redundancies and increase efficiency.	Fully Implemented	Bureau for Private Postsecondary Education
14. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should evaluate periodically the reasonableness of the time frame it established for completing announced inspections.	Fully Implemented	Bureau for Private Postsecondary Education
15. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should establish procedures and time frames for its unannounced inspection process.	Fully Implemented	Bureau for Private Postsecondary Education
16. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should establish a mechanism for tracking the amount of time it takes to complete each step of its unannounced inspection process.	Fully Implemented	Bureau for Private Postsecondary Education

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17. To comply with state law and to ensure that it effectively manages its inspections of institutions, the bureau should evaluate periodically the reasonableness of the time frame it establishes for completing unannounced inspections.	Fully Implemented	Bureau for Private Postsecondary Education
18. To improve the quality of its inspections and related enforcement actions, the bureau should establish policies, procedures, and training for managers that include guidance on how to review inspection files and how to document evidence of their reviews.	Fully Implemented	Bureau for Private Postsecondary Education
19. To improve the quality of its inspections and related enforcement actions, the bureau should assign the task of resolving notices to comply to the inspection managers, as originally designed.	Fully Implemented	Bureau for Private Postsecondary Education
20. To improve the quality of its inspections and related enforcement actions, the bureau should monitor the status of its enforcement actions such as notices to comply weekly so that it can prevent delays in meeting mandated deadlines.	Fully Implemented	Bureau for Private Postsecondary Education
21. To improve the quality of its inspections and related enforcement actions, the bureau should provide additional guidance to the inspectors on the distinction between minor and material violations and the related actions inspectors should take in response to identifying these violations.	Fully Implemented	Bureau for Private Postsecondary Education
22. To reduce its backlog of unresolved complaints involving institutions, the bureau needs to establish benchmarks and monitor them to ensure that the additional staff it requested and the Department of Consumer Affairs' (Consumer Affairs) complaint program staff resolve the backlog as expeditiously as possible.	Resolved	Bureau for Private Postsecondary Education
23. To ensure that it closes complaints in a timely manner, the bureau should analyze its process and establish a reasonable time frame for resolving them.	Fully Implemented	Bureau for Private Postsecondary Education
24. To ensure that it closes complaints in a timely manner, the bureau should modify its policies and procedures to include the established time frame.	Fully Implemented	Bureau for Private Postsecondary Education
25. To ensure that it closes complaints in a timely manner, the bureau should ensure that its staff adhere to the established time frame.	Fully Implemented	Bureau for Private Postsecondary Education
26. To address issues that pose the most serious potential risk to, students, the bureau should ensure that staff follow its policies and, procedures for prioritizing complaints and identify the urgent, and high priority cases on the complaint log. In addition, the bureau, needs to establish a process for reviewing its staffs determination, of the priority of complaints and for tracking the priority levels.	Fully Implemented	Bureau for Private Postsecondary Education
27. To ensure that staff identify and obtain sufficient evidence before closing complaints, the bureau should continue to work with Consumer Affairs to establish an investigative training program.	Fully Implemented	Bureau for Private Postsecondary Education
28. To ensure that institutions provide prospective students with accurate data in their fact sheets and annual reports, the bureau should immediately direct its staff to review and retain documentation supporting the fact sheets during on-site inspections.	Fully Implemented	Bureau for Private Postsecondary Education
29. To ensure that institutions provide prospective students with accurate data in their fact sheets and annual reports, the bureau should immediately train its staff how to calculate correctly the uniform data the institutions are to report in their annual reports and fact sheets in accordance with state law and regulations.	Fully Implemented	Bureau for Private Postsecondary Education
30. To ensure that institutions provide prospective students with accurate data in their fact sheets and annual reports, the bureau should immediately improve its outreach and education efforts to institutions to ensure that the institutions comply with all applicable disclosure requirements.	Fully Implemented	Bureau for Private Postsecondary Education
31. To process recovery fund claims within its 90-day goal, the bureau needs to track the information that will allow it to identify which steps in the process result in delays. When it identifies the delays in the process, the bureau should take steps to address them.	Fully Implemented	Bureau for Private Postsecondary Education
32. To reduce the available balance in the recovery fund below the statutory limit of \$25 million, the bureau should continue its plans to address the collection of the recovery fund assessment.	Fully Implemented	Bureau for Private Postsecondary Education
33. The bureau should implement and enforce policies, procedures, and sanctions to ensure that institutions submit to the bureau the recovery fund assessments that they collect from students so that the institutions are not unjustly enriched.	Fully Implemented	Bureau for Private Postsecondary Education

## Report Number 2013-124

*Sexual Harassment and Sexual Violence: California Universities Must Better Protect Students by Doing More to Prevent, Respond to, and Resolve Incidents (June 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. The Office of the Chancellor should direct all of the universities within the CSU system to comply with the recommendations in this audit report. Also, to ensure that its universities are complying with Title IX requirements, the Office of the Chancellor should conduct routine Title IX reviews. When conducting these compliance reviews, the Office of the Chancellor should determine whether universities have implemented this report's recommendations.	Not Fully Implemented	California State University
5. The Office of the President should direct all of the universities within the UC system to comply with the recommendations in this audit report. Also, to ensure that its universities are complying with Title IX requirements, the Office of the President should conduct routine Title IX reviews. When conducting these compliance reviews, the Office of the President should determine whether universities have implemented this report's recommendations.	Not Fully Implemented	University of California
6. To help ensure that university faculty and staff do not mishandle student reports of incidents, all faculty and staff should receive training annually, consistent with their role, on their obligations in responding to and reporting incidents of sexual harassment and sexual violence.	Fully Implemented	California State University, Chico
7. To help ensure that university faculty and staff do not mishandle student reports of incidents, all faculty and staff should receive training annually, consistent with their role, on their obligations in responding to and reporting incidents of sexual harassment and sexual violence.	Not Fully Implemented	San Diego State University
8. To help ensure that university faculty and staff do not mishandle student reports of incidents, all faculty and staff should receive training annually, consistent with their role, on their obligations in responding to and reporting incidents of sexual harassment and sexual violence.	Not Fully Implemented	University of California, Berkeley
9. To help ensure that university faculty and staff do not mishandle student reports of incidents, all faculty and staff should receive training annually, consistent with their role, on their obligations in responding to and reporting incidents of sexual harassment and sexual violence.	Not Fully Implemented	University of California, Los Angeles
10. To help ensure that resident advisors handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness training, for resident advisors twice a year.	Fully Implemented	California State University, Chico
11. To help ensure that resident advisors handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness training, for resident advisors twice a year.	Fully Implemented	San Diego State University
12. To help ensure that resident advisors handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness training, for resident advisors twice a year.	Fully Implemented	University of California, Berkeley
13. To help ensure that resident advisors handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness training, for resident advisors twice a year.	Fully Implemented	University of California, Los Angeles
14. To help ensure that athletic coaches handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, annually for all athletic coaches.	Fully Implemented	California State University, Chico
15. To help ensure that athletic coaches handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, annually for all athletic coaches.	Fully Implemented	San Diego State University
16. To help ensure that athletic coaches handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, annually for all athletic coaches.	Fully Implemented	University of California, Berkeley
17. To help ensure that athletic coaches handle incidents of sexual harassment and sexual violence appropriately, all universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, annually for all athletic coaches.	Fully Implemented	University of California, Los Angeles
18. All universities should provide their education on sexual harassment and sexual violence to incoming students as close as possible to when they arrive on campus but no later than the first few weeks of their first semester or quarter. Further, universities should provide periodic refresher educational programs, at least annually, to all students on campus to ensure that they are aware of how to handle and report incidents of sexual harassment and sexual violence.	Not Fully Implemented	California State University, Chico

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19. All universities should provide their education on sexual harassment and sexual violence to incoming students as close as possible to when they arrive on campus but no later than the first few weeks of their first semester or quarter. Further, universities should provide periodic refresher educational programs, at least annually, to all students on campus to ensure that they are aware of how to handle and report incidents of sexual harassment and sexual violence.	Not Fully Implemented	San Diego State University
20. All universities should provide their education on sexual harassment and sexual violence to incoming students as close as possible to when they arrive on campus but no later than the first few weeks of their first semester or quarter. Further, universities should provide periodic refresher educational programs, at least annually, to all students on campus to ensure that they are aware of how to handle and report incidents of sexual harassment and sexual violence.	Not Fully Implemented	University of California, Berkeley
21. All universities should provide their education on sexual harassment and sexual violence to incoming students as close as possible to when they arrive on campus but no later than the first few weeks of their first semester or quarter. Further, universities should provide periodic refresher educational programs, at least annually, to all students on campus to ensure that they are aware of how to handle and report incidents of sexual harassment and sexual violence.	Not Fully Implemented	University of California, Los Angeles
22. All universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, for all student athletes on an annual basis. Further, the universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness, to all student members of fraternities and sororities on an annual basis. The universities should also determine which student organizations participate in activities that may place students at risk and ensure that they receive annual, supplemental training on sexual harassment and sexual violence, including rape awareness. Each of the trainings should be focused on situations the members of the respective student groups may encounter.	Fully Implemented	California State University, Chico
23. All universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, for all student athletes on an annual basis. Further, the universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness, to all student members of fraternities and sororities on an annual basis. The universities should also determine which student organizations participate in activities that may place students at risk and ensure that they receive annual, supplemental training on sexual harassment and sexual violence, including rape awareness. Each of the trainings should be focused on situations the members of the respective student groups may encounter.	Fully Implemented	San Diego State University
24. All universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, for all student athletes on an annual basis. Further, the universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness, to all student members of fraternities and sororities on an annual basis. The universities should also determine which student organizations participate in activities that may place students at risk and ensure that they receive annual, supplemental training on sexual harassment and sexual violence, including rape awareness. Each of the trainings should be focused on situations the members of the respective student groups may encounter.	Partially Implemented	University of California, Berkeley
25. All universities should provide supplemental training on sexual harassment and sexual violence, including sexual assault, for all student athletes on an annual basis. Further, the universities should provide supplemental training on sexual harassment and sexual violence, including rape awareness, to all student members of fraternities and sororities on an annual basis. The universities should also determine which student organizations participate in activities that may place students at risk and ensure that they receive annual, supplemental training on sexual harassment and sexual violence, including rape awareness. Each of the trainings should be focused on situations the members of the respective student groups may encounter.	Not Fully Implemented	University of California, Los Angeles
26. To ensure compliance with federal law and guidance, all universities should review their educational programs for incoming students and employees and modify them as needed, as outlined in the Reauthorization Act and the 2014 guidance issued by the OCR.	Fully Implemented	California State University, Chico
27. To ensure compliance with federal law and guidance, all universities should review their educational programs for incoming students and employees and modify them as needed, as outlined in the Reauthorization Act and the 2014 guidance issued by the OCR.	Fully Implemented	San Diego State University
28. To ensure compliance with federal law and guidance, all universities should review their educational programs for incoming students and employees and modify them as needed, as outlined in the Reauthorization Act and the 2014 guidance issued by the OCR.	Fully Implemented	University of California, Berkeley

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
29. To ensure compliance with federal law and guidance, all universities should review their educational programs for incoming students and employees and modify them as needed, as outlined in the Reauthorization Act and the 2014 guidance issued by the OCR.	Fully Implemented	University of California, Los Angeles
30. To comply with state law, all universities must ensure the appropriate distribution of their written policy on sexual harassment to all university employees at the beginning of every academic year.	Fully Implemented	California State University, Chico
31. To comply with state law, all universities must ensure the appropriate distribution of their written policy on sexual harassment to all university employees at the beginning of every academic year.	Fully Implemented	San Diego State University
32. To comply with state law, all universities must ensure the appropriate distribution of their written policy on sexual harassment to all university employees at the beginning of every academic year.	Fully Implemented	University of California, Berkeley
33. To comply with state law, all universities must ensure the appropriate distribution of their written policy on sexual harassment to all university employees at the beginning of every academic year.	Fully Implemented	University of California, Los Angeles
34. All universities should appropriately post the university's policy on sexual harassment. The policy should be posted prominently in the university's main administrative building and in other areas on campus where notices are posted, including key locations such as residence halls and athletic facilities. Similarly, the notice of nondiscrimination should be posted prominently throughout the university. If, because of the length of the policy on sexual harassment, it is not effective to post it in its entirety, the universities should post summary information that explains how students can access the full policy.	Fully Implemented	California State University, Chico
35. All universities should appropriately post the university's policy on sexual harassment. The policy should be posted prominently in the university's main administrative building and in other areas on campus where notices are posted, including key locations such as residence halls and athletic facilities. Similarly, the notice of nondiscrimination should be posted prominently throughout the university. If, because of the length of the policy on sexual harassment, it is not effective to post it in its entirety, the universities should post summary information that explains how students can access the full policy.	Fully Implemented	San Diego State University
36. All universities should appropriately post the university's policy on sexual harassment. The policy should be posted prominently in the university's main administrative building and in other areas on campus where notices are posted, including key locations such as residence halls and athletic facilities. Similarly, the notice of nondiscrimination should be posted prominently throughout the university. If, because of the length of the policy on sexual harassment, it is not effective to post it in its entirety, the universities should post summary information that explains how students can access the full policy.	Fully Implemented	University of California, Berkeley
37. All universities should appropriately post the university's policy on sexual harassment. The policy should be posted prominently in the university's main administrative building and in other areas on campus where notices are posted, including key locations such as residence halls and athletic facilities. Similarly, the notice of nondiscrimination should be posted prominently throughout the university. If, because of the length of the policy on sexual harassment, it is not effective to post it in its entirety, the universities should post summary information that explains how students can access the full policy.	Fully Implemented	University of California, Los Angeles
38. To ensure that all incoming students receive education on sexual harassment and sexual violence, San Diego State and UC Berkeley should impose consequences, such as registration holds, on those not receiving the education.	Fully Implemented	San Diego State University
39. To ensure that all incoming students receive education on sexual harassment and sexual violence, San Diego State and UC Berkeley should impose consequences, such as registration holds, on those not receiving the education.	Fully Implemented	University of California, Berkeley
40. San Diego State should widely distribute its Title IX brochure to ensure that all students and employees are aware of how to handle incidents of sexual harassment and sexual violence.	Fully Implemented	San Diego State University
41. Chico State, San Diego State, and UCLA should ensure that the content of the education on sexual violence they provide to incoming students covers the topics outlined in California Education Code, Section 67385.7(b).	Fully Implemented	California State University, Chico

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
42. Chico State, San Diego State, and UCLA should ensure that the content of the education on sexual violence they provide to incoming students covers the topics outlined in California Education Code, Section 67385.7(b).	Fully Implemented	San Diego State University
43. Chico State, San Diego State, and UCLA should ensure that the content of the education on sexual violence they provide to incoming students covers the topics outlined in California Education Code, Section 67385.7(b). Although we recognize that state law requests, rather than requires, the UC system to provide this education, we believe doing so is important to better inform students.	Fully Implemented	University of California, Los Angeles
44. UC Berkeley should follow through with its current plan to staff the confidential survivor advocate position by the start of the fall 2014 semester.	Fully Implemented	University of California, Berkeley
45. To comply with state law, Chico State, San Diego State, and UC Berkeley must ensure the appropriate distribution of the university's written policy on sexual harassment to all incoming students at new student orientations.	Fully Implemented	California State University, Chico
46. To comply with state law, Chico State, San Diego State, and UC Berkeley must ensure the appropriate distribution of the university's written policy on sexual harassment to all incoming students at new student orientations.	Fully Implemented	San Diego State University
47. To comply with state law, Chico State, San Diego State, and UC Berkeley must ensure the appropriate distribution of the university's written policy on sexual harassment to all incoming students at new student orientations.	Fully Implemented	University of California, Berkeley
48. San Diego State should identify an individual to serve as a resource advocate and to be a central point of contact and a confidential resource available to help students obtain the services needed when they experience an incident of sexual harassment or sexual violence.	Fully Implemented	San Diego State University
49. The Office of the President should clarify in the UC policies that a complainant must have and be informed about the right to end the early resolution process at any time and request that his or her complaint be handled under the university's formal process.	Not Fully Implemented	University of California
50. The Office of the President should clarify in the UC policies that if a university chooses to use the early resolution process, the Title IX coordinators and other university staff involved in resolving the complaint should have and document ongoing communication with complainants demonstrating their attempts to resolve the matter to mutual agreement of all relevant parties.	Fully Implemented	University of California
51. The Office of the President should clarify in the UC policies that if university officials approve an extension to an investigative timeline, the extension should be restricted to a single extension of no more than 30 days, except in limited circumstances that are beyond the university's control.	Not Fully Implemented	University of California
52. All universities should create and use a document to share with students that explains what students should expect from the complaint process. At a minimum, it should include an overview of the university's sexual harassment policy, the investigation process, relevant timelines, the legal standard that must be applied to the investigation, and issues related to confidentiality, as well as expectations regarding notification of case status updates and outcomes.	Fully Implemented	California State University, Chico
53. All universities should create and use a document to share with students that explains what students should expect from the complaint process. At a minimum, it should include an overview of the university's sexual harassment policy, the investigation process, relevant timelines, the legal standard that must be applied to the investigation, and issues related to confidentiality, as well as expectations regarding notification of case status updates and outcomes.	Fully Implemented	San Diego State University
54. All universities should create and use a document to share with students that explains what students should expect from the complaint process. At a minimum, it should include an overview of the university's sexual harassment policy, the investigation process, relevant timelines, the legal standard that must be applied to the investigation, and issues related to confidentiality, as well as expectations regarding notification of case status updates and outcomes.	Fully Implemented	University of California, Berkeley
55. All universities should create and use a document to share with students that explains what students should expect from the complaint process. At a minimum, it should include an overview of the university's sexual harassment policy, the investigation process, relevant timelines, the legal standard that must be applied to the investigation, and issues related to confidentiality, as well as expectations regarding notification of case status updates and outcomes.	Fully Implemented	University of California, Los Angeles

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
56. All universities should ensure that the differences between an informal or early resolution process and a formal investigation process are clearly explained to ensure that students know what to expect from each process. Further, they should explain that students whose cases are being handled under an informal or early resolution process have the right to move to a formal process at any time.	Fully Implemented	California State University, Chico
57. All universities should ensure that the differences between an informal or early resolution process and a formal investigation process are clearly explained to ensure that students know what to expect from each process. Further, they should explain that students whose cases are being handled under an informal or early resolution process have the right to move to a formal process at any time.	Fully Implemented	San Diego State University
58. All universities should ensure that the differences between an informal or early resolution process and a formal investigation process are clearly explained to ensure that students know what to expect from each process. Further, they should explain that students whose cases are being handled under an informal or early resolution process have the right to move to a formal process at any time.	Not Fully Implemented	University of California, Berkeley
59. All universities should ensure that the differences between an informal or early resolution process and a formal investigation process are clearly explained to ensure that students know what to expect from each process. Further, they should explain that students whose cases are being handled under an informal or early resolution process have the right to move to a formal process at any time.	Not Fully Implemented	University of California, Los Angeles
60. All universities should provide regular updates on the status of their investigations to students filing or responding to complaints. Additionally, the universities should notify the students of the resolution of the complaints. To demonstrate that they took these actions, the universities should maintain appropriate records.	Fully Implemented	California State University, Chico
61. All universities should provide regular updates on the status of their investigations to students filing or responding to complaints. Additionally, the universities should notify the students of the resolution of the complaints. To demonstrate that they took these actions, the universities should maintain appropriate records.	Fully Implemented	San Diego State University
62. All universities should provide regular updates on the status of their investigations to students filing or responding to complaints. Additionally, the universities should notify the students of the resolution of the complaints. To demonstrate that they took these actions, the universities should maintain appropriate records.	Fully Implemented	University of California, Berkeley
63. All universities should provide regular updates on the status of their investigations to students filing or responding to complaints. Additionally, the universities should notify the students of the resolution of the complaints. To demonstrate that they took these actions, the universities should maintain appropriate records.	Fully Implemented	University of California, Los Angeles
64. To ensure that the universities conduct investigations as promptly as possible, they should regularly evaluate the timeliness of investigations in a systematic manner and ensure that they complete investigations within established timelines.	Fully Implemented	California State University, Chico
65. To ensure that the universities conduct investigations as promptly as possible, they should regularly evaluate the timeliness of investigations in a systematic manner and ensure that they complete investigations within established timelines.	Fully Implemented	San Diego State University
66. To ensure that the universities conduct investigations as promptly as possible, they should regularly evaluate the timeliness of investigations in a systematic manner and ensure that they complete investigations within established timelines.	Fully Implemented	University of California, Berkeley
67. To ensure that the universities conduct investigations as promptly as possible, they should regularly evaluate the timeliness of investigations in a systematic manner and ensure that they complete investigations within established timelines.	Fully Implemented	University of California, Los Angeles
68. To identify ways to better serve their students, all universities should create a summary of student incidents of sexual harassment and sexual violence reported to the various departments on campus. Each university should evaluate its summary data to identify trends specific to the demographics, as well as the timing, location, and frequency of incidents, to better inform its strategies to protect students and direct its outreach efforts.	Not Fully Implemented	California State University, Chico

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
69. To identify ways to better serve their students, all universities should create a summary of student incidents of sexual harassment and sexual violence reported to the various departments on campus. Each university should evaluate its summary data to identify trends specific to the demographics, as well as the timing, location, and frequency of incidents, to better inform its strategies to protect students and direct its outreach efforts.	Not Fully Implemented	San Diego State University
70. To identify ways to better serve their students, all universities should create a summary of student incidents of sexual harassment and sexual violence reported to the various departments on campus. Each university should evaluate its summary data to identify trends specific to the demographics, as well as the timing, location, and frequency of incidents, to better inform its strategies to protect students and direct its outreach efforts.	Not Fully Implemented	University of California, Berkeley
71. To identify ways to better serve their students, all universities should create a summary of student incidents of sexual harassment and sexual violence reported to the various departments on campus. Each university should evaluate its summary data to identify trends specific to the demographics, as well as the timing, location, and frequency of incidents, to better inform its strategies to protect students and direct its outreach efforts.	Not Fully Implemented	University of California, Los Angeles
72. Chico State should ensure that it fully resolves all complaints that are reported to it and that it imposes appropriate discipline.	Fully Implemented	California State University, Chico
73. San Diego State should implement its Sexual Violence Task Force and ensure that it includes participants such as high-level campus administrators, academic leaders, and student leaders.	Fully Implemented	San Diego State University

**Report Number 2013-123**

*California Community College Accreditation: Colleges Are Treated Inconsistently and Opportunities Exist for Improvement in the Accreditation Process (June 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that colleges receive consistent and fair treatment and are able to address deficiencies, the chancellor's office should work with the community colleges and request clearer guidance from the commission regarding what actions would allow for the full two-year period in which to remediate concerns and what actions would constitute good cause for extending the time an institution has to address deficiencies beyond two years. In doing so, the chancellor's office should also encourage the commission to specify in its policies those scenarios under which it would exercise the good cause exception so that institutions would have a better understanding of when they might reasonably expect additional time to address deficiencies.	Not Fully Implemented	Community Colleges Chancellor's Office
2. To ensure that community colleges and the public are fully informed regarding the accreditation process, the chancellor's office should assist community colleges in communicating their concerns to the commission regarding its transparency and in developing proposals for improving the commission's transparency policies and practices. The chancellor's office should also encourage the commission to publish policies describing the role of its staff in the commission's decision-making processes.	Not Fully Implemented	Community Colleges Chancellor's Office
3. To make certain that institutions receive fair treatment in appealing decisions that terminate their accreditation, the chancellor's office should work with the community colleges to advocate that the commission change certain aspects of its appeal process. Specifically, in keeping with the spirit of accreditation, when institutions have taken steps to correct deficiencies that led to the decision to terminate accreditation, the institutions should be allowed to have information on those corrections heard as evidence in their appeal. Further, the commission president's involvement in selecting the appeal panel's counsel should be revisited.	Not Fully Implemented	Community Colleges Chancellor's Office
4. To strengthen institutions' understanding of what they must do to comply with standards, and to provide them with the opportunity to address certain issues that could jeopardize their compliance, the chancellor's office, in collaboration with the community colleges, should encourage the commission to develop formal opportunities for institutions to communicate with and receive feedback from the commission on institutional self-studies and other reports before a formal evaluation takes place. In doing so, the chancellor's office should consider the practices of other regional accreditors and identify those that would best meet the needs of California's community colleges.	Not Fully Implemented	Community Colleges Chancellor's Office

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. Community colleges, as members of the commission, should communicate their concerns about and ideas for improvement of training on the accreditation process to the commission. To provide assurance to colleges that they may suggest this information freely, the chancellor's office should coordinate communication between the commission and the colleges. Further, in order to build collegial relationships, engage new people in the accreditation process, and extend additional training to those already involved in accreditation, the chancellor's office should encourage the commission to develop an annual conference focused on accreditation and oversight.	Not Fully Implemented	Community Colleges Chancellor's Office
6. To allow colleges flexibility in choosing an accreditor, the chancellor's office should remove language from its regulations naming the commission as the sole accreditor of California community colleges while maintaining the requirement that community colleges be accredited.	Fully Implemented	Community Colleges Chancellor's Office
7. To allow colleges flexibility in choosing an accreditor, the chancellor's office should identify other accreditors who are able to accredit California community colleges or who would be willing to change their scopes to do so.	Not Fully Implemented	Community Colleges Chancellor's Office
8. To allow colleges flexibility in choosing an accreditor, the chancellor's office should assess the potential costs, risks, and feasibility of creating a new independent accreditor.	Not Fully Implemented	Community Colleges Chancellor's Office
9. The chancellor's office should monitor community colleges for issues that may jeopardize accreditation. To the extent that the chancellor's office believes it needs additional staff to accomplish this task, it should develop a proposal for the fiscal year 2015-16 budget cycle that identifies the specific activities it would undertake to find and correct issues that could lead to sanctions of the community colleges and identify the staffing level needed to conduct those activities.	Fully Implemented	Community Colleges Chancellor's Office

Report Number 2014-502		
<i>Commission on Teacher Credentialing—Follow-Up Review (July 2014)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To make its strategic plan a more useful mechanism for accomplishing its mission, the Commission on Teacher Credentialing (commission) should ensure that, to the extent possible, its goals have timelines and are measurable. Further, the commission should periodically evaluate and track its progress towards meeting its goals.	Not Fully Implemented	Teacher Credentialing, California Commission on

Report Number 2012-603		
<i>High Risk Update: State Agencies Credited Their Employees With Millions of Dollars Worth of Unearned Leave (August 2014)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To correct the erroneous leave hours we identified in our analysis of the leave accounting system related to the CSU, CSU's Office of the Chancellor should work with the CSU campuses to review and take the appropriate action to correct the errors by January 2015.	Fully Implemented	California State University

Report Number 2014-135R		
<i>Magnolia Science Academies: Although the Financial Condition of These Charter Schools Has Improved, Their Financial Controls Still Need to Be Strengthened (May 2015)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Consistent with their charter petition terms, the Magnolia Educational and Research Foundation (Foundation) should ensure that each academy maintains the minimum required cash reserve.	Fully Implemented	Magnolia Educational and Research Foundation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure the CMO fees it charges to its academies are accurate, the Foundation should develop procedures to ensure that CMO fees are accurately calculated and recorded, including performing regular reconciliations of the CMO fees recorded in the Foundation's and academies' general ledgers.	Fully Implemented	Magnolia Educational and Research Foundation
3. To ensure that the academies' spending aligns with their budgets, the Foundation should create and retain standardized reports with a sufficient level of detail to allow its staff and the academy principals to compare the academies' spending to their budgets.	Fully Implemented	Magnolia Educational and Research Foundation
4. To reduce the risk of misappropriation, the Foundation should ensure that it appropriately authorizes all of its expenditures and the academies' expenditures. It should also ensure that it includes sufficient supporting documentation for each expense, including documenting the purpose of each transaction.	Fully Implemented	Magnolia Educational and Research Foundation
5. To strengthen its controls over purchases that principals make at the academies, the Foundation should update its accounting manual to require academy principals to obtain written authorization before processing purchases on their debit cards that are higher than established thresholds. The Foundation should also revise its accounting manual to prohibit the use of debit cards for travel except in the case of a documented emergency.	Fully Implemented	Magnolia Educational and Research Foundation
6. To ensure that it can locate documentation supporting its expenditures and the academies' expenditures, the Foundation should develop a stronger document filing system that links all supporting documentation for expenditures to its authorization and justification included in the CoolSIS system by using a unique identifier such as a purchase order number.	Pending	Magnolia Educational and Research Foundation
7. To strengthen its contracting process, the Foundation should define who has authority to sign vendor agreements.	Pending	Magnolia Educational and Research Foundation
8. To increase transparency and reduce the risk of misuse of funds, the Foundation should update its policies and procedures regarding vendor selection to require that it maintain independence in its relationships with vendors.	Pending	Magnolia Educational and Research Foundation
9. To ensure that it provides proper oversight over its process for hiring employees who are not citizens of the United States and that it meets all legal requirements for the employees it sponsors, the Foundation should enhance its human resources policies and procedures and implement a centralized system to track and maintain sponsored employees' files and publicly available documentation. Moreover, the Foundation should use the centralized system to ensure that proper notification is sent to Homeland Security for any material changes to sponsored employees' employment. The Foundation should also review all of its past and present noncitizen employees' files and notify Homeland Security of any material changes that it has not previously reported.	Pending	Magnolia Educational and Research Foundation
10. To hold its management accountable for meeting their responsibilities related to the payroll process, the Foundation should continue to implement its new desk procedures of requiring review and documentation of that review at each stage in the payroll process.	Fully Implemented	Magnolia Educational and Research Foundation
11. To safeguard the funds that the academies raise, the Foundation should ensure that academy staff follow the fundraising procedures in its accounting manual, especially with regards to timeliness of bank deposits and sign-offs on cash-count forms. The Foundation should also annually train its staff to ensure compliance with fundraising procedures.	Fully Implemented	Magnolia Educational and Research Foundation
12. To ensure their compliance with state and federal laws, the Foundation should continue to develop procedures for the academies to follow when they report truancy data to Education. The Foundation's procedures should include a process for the academies to document their calculations.	Pending	Magnolia Educational and Research Foundation
13. To improve communication between the inspector general and the division, LAUSD should develop procedures for discussing relevant findings in draft form and for determining how those findings should affect the decisions that the division or the board makes.	Pending	Los Angeles Unified School District
14. To improve its process for considering whether to rescind a charter school's conditionally renewed petition, LAUSD should develop procedures to provide charter schools with a reasonable amount of time for an appropriate response or to potentially remedy concerns.	Pending	Los Angeles Unified School District

**Report Number 2014-121**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. UC Davis should ensure that the strawberry program is adequately funded. To address the strawberry program's recent loss of funding, the university should consider allocating more of the strawberry program's patent income back to the program itself. In addition, UC Davis should regularly reassess the appropriateness of the strawberry program's royalty rates charged to licensees and adjust the rates as needed to support the program.	Pending	University of California, Davis
2. The department should prepare a balanced budget for each fiscal year that details how it will fund the strawberry breeding program. In addition, it should begin comparing actual income and expenses to the budget periodically to ensure that the program is operating in a cost-efficient manner and is adequately funded.	Pending	University of California, Davis
3. To better enable it to effectively monitor and report the financial condition of the strawberry program, UC Davis should implement its plan to begin accounting for the strawberry program's financial activities separately from those of the breeder in fiscal year 2015–16.	Fully Implemented	University of California, Davis
4. UC Davis should collect all late fees that its licensees owe.	Pending	University of California, Davis
5. If UC Davis considers providing future discounts on royalty rates, it should structure the agreements to ensure that it receives a commensurate benefit during the entire time that licensees receive discounts.	Resolved	University of California, Davis
6. UC Davis should develop a risk-based audit plan to begin periodically reviewing the financial records of master licensees and licensed nurseries to ensure that they are accurately reporting all of their sales of licensed strawberry varieties and paying the university all the royalties it is entitled to. To encourage compliance, UC Davis should notify all master licensees and licensed nurseries that it will begin auditing the sales records of selected licensees.	Pending	University of California, Davis

**Report Number 2014-131**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, Community Colleges should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Fully Implemented	Community Colleges Chancellor's Office
7. No later than December 1, 2015, Community Colleges should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review, including any web presence managed by its technology center. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Partially Implemented	Community Colleges Chancellor's Office
14. To ensure that updates to its website are tested for accessibility, by July 31, 2015, Community Colleges should develop and follow a written test approach that describes how and when changes to its website will be reviewed. This plan should describe how the department will include both automated and manual forms of accessibility testing.	Fully Implemented	Community Colleges Chancellor's Office
17. To ensure that it can accurately track whether accessibility issues found during testing have been resolved, Community Colleges should direct its vendor to more clearly and consistently document when the fix for an accessibility defect has been implemented in the live version of the online application.	Fully Implemented	Community Colleges Chancellor's Office
19. To ensure that individuals have a wider variety of contact information available to them for reporting problems with website accessibility, by July 31, 2015, Community Colleges should update its accessibility page to include all methods of communication that state requirements mandate for other departments.	Fully Implemented	Community Colleges Chancellor's Office

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24. To enhance the overall accessibility of its website, by July 31, 2015, Community Colleges should list general web browser usability features on its websites after verifying that its sites are compatible with those features. Additionally, Community Colleges should add links to its website directing users to browser-specific usability information for these four popular web browsers: Apple Safari, Google Chrome, Microsoft Internet Explorer, and Firefox.	Fully Implemented	Community Colleges Chancellor's Office

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. Redlands should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Fully Implemented	University of Redlands
3. San Diego should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Fully Implemented	University of California, San Diego
4. San Francisco should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Pending	San Francisco State University
5. Shasta should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Fully Implemented	Shasta College
6. Stanford should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is accurately reporting its crime statistics.	Pending	Stanford University
7. Fresno should create written procedures that clearly describe the review process it will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Pending	Fresno City College
8. San Diego should create written procedures that clearly describe the review process it will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Pending	University of California, San Diego
9. San Francisco should create written procedures that clearly describe the review process they will undertake to ensure that it will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Pending	San Francisco State University
10. Shasta should create written procedures that clearly describe the review process they will undertake to ensure that it will undertake to ensure that it is reporting crime statistics consistently and accurately in its annual security reports.	Fully Implemented	Shasta College
11. Fresno should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Pending	Fresno City College
12. Redlands should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Fully Implemented	University of Redlands
13. San Diego should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Pending	University of California, San Diego
14. San Francisco should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Pending	San Francisco State University

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15. Shasta should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Uniform Crime Reporting Handbook, to ensure that it is including all required disclosures in its annual security reports.	Pending	Shasta College
16. Redlands should ensure that it includes all crimes on its daily crime log, as required under the Clery Act.	Fully Implemented	University of Redlands
17. Shasta should ensure that it includes all crimes on its daily crime log, as required under the Clery Act.	Fully Implemented	Shasta College
18. To ensure that its respective institutions comply with the Clery Act, UCOP should finalize and implement its draft policy that will provide additional guidance and oversight to its institutions.	Pending	University of California
19. To ensure that its respective institutions comply with the Clery Act, the CSU Office of the Chancellor should develop written policies and procedures to provide guidance to its institutions on how to report accurate Clery Act crime statistics and ensure that all required disclosures are included in its respective institutions' annual security reports. The CSU Office of the Chancellor should then annually revisit the written policies and procedures to ensure that they are up to date.	Pending	California State University
20. To ensure that its respective institutions comply with the Clery Act, the Community Colleges Chancellor's Office should develop written policies and procedures to provide guidance to its institutions on how to report accurate Clery Act crime statistics and ensure that all required disclosures are included in its respective institutions' annual security reports. The Community Colleges Chancellor's Office should then annually revisit the written policies and procedures to ensure that they are up to date.	Pending	Community Colleges Chancellor's Office

**Report Number 2015-101**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To assist the district with establishing priorities, and to ensure that the public is aware of those priorities, the state superintendent should direct his state administrator to develop annual performance objectives and an action plan to address FCMAT's findings and recommendations. Such an action plan should describe for the public why certain findings were prioritized and what steps the state administrator plans to take to improve the district's FCMAT scores.	Pending	California Department of Education
3. To provide the public an opportunity to fully understand the requirements for and the progress made toward restoring local control to the district's governing board, the state superintendent should direct his state administrator to establish a web page on the district's website listing the specific exit criteria, indicating which criteria have been satisfied, and what the state administrator's and state superintendent's expectations and plans are for satisfying remaining exit requirements. One way the state superintendent could do this would be to provide regularly updated information in a format that is similar to the information we present in the Appendix of this audit report.	Pending	California Department of Education
4. To provide the public an opportunity to fully understand the requirements for and the progress made toward restoring local control to the district's governing board, the state superintendent should direct his state administrator to establish regular advisory board agenda items to answer the public's questions concerning the efforts made toward achieving the exit criteria.	Pending	California Department of Education



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

Report Number 2013-115

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

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

Report Number 2013-109

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that it has the necessary information to provide appropriate oversight of the balancing accounts, the Public Utilities Commission (commission) should maintain accurate and timely information on utility balancing accounts. Specifically, it should regularly update its list of balancing accounts when the commission issues decisions authorizing opening new balancing accounts or closing existing balancing accounts, when utilities file balancing account updates, and when the commission performs reviews of balancing accounts.	Fully Implemented	California Public Utilities Commission
4. To ensure that it has the necessary information to provide appropriate oversight of the balancing accounts, the commission should maintain accurate and timely information on utility balancing accounts. Specifically, it should use the list to guide its efforts to oversee balancing accounts more effectively, by using a risk-based approach to select a sufficient number of balancing accounts, as well as those with the most potential impact on ratepayers, for review each year to provide appropriate coverage over all regulated utilities.	Fully Implemented	California Public Utilities Commission
5. To ensure that it efficiently and effectively monitors energy utilities balancing accounts to protect ratepayers from unfair rate increases, the commission should direct its Energy Division to perform in-depth reviews of balancing accounts to verify that account balances contain only allowable transactions and are supported. These reviews should include ensuring that transactions recorded in a balancing account are supported by appropriate documentation, such as invoices.	Fully Implemented	California Public Utilities Commission
6. To ensure that it efficiently and effectively monitors energy utilities' balancing accounts to protect ratepayers from unfair rate increases, the commission should direct its Energy Division to coordinate with the Office of Ratepayer Advocates (Ratepayer Advocates) to identify which balancing accounts Ratepayer Advocates plans to review during the year to avoid duplicating efforts.	Fully Implemented	California Public Utilities Commission
7. To further its mission to obtain the lowest possible rates for reliable and safe utility service for ratepayers through its reviews of balancing accounts, Ratepayer Advocates should use the commission's list of balancing accounts to guide its selection of the number, size, and type of balancing accounts to review so that its review coverage is more proportional across all utilities.	Will Not Implement	Office of Ratepayer Advocates
8. To further its mission to obtain the lowest possible rates for reliable and safe utility service for ratepayers through its reviews of balancing accounts, Ratepayer Advocates should document the method used for its selection of balancing accounts to review.	Not Fully Implemented	Office of Ratepayer Advocates
9. To further its mission to obtain the lowest possible rates for reliable and safe utility service for ratepayers through its reviews of balancing accounts, Ratepayer Advocates should coordinate with the commission's Energy Division to avoid duplicating review efforts.	Fully Implemented	Office of Ratepayer Advocates

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, Ratepayer Advocates should, within six months, develop policies that clearly describe how analysts are to document their reviews of balancing accounts, including all work reviewed and conclusions reached for each sampled item that supports their conclusions.	Fully Implemented	Office of Ratepayer Advocates
11. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, Ratepayer Advocates should, within six months, develop a document retention policy for all documents related to, among other things, balancing account reviews for a minimum of three years after the completion of these reviews.	Fully Implemented	Office of Ratepayer Advocates
12. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, Ratepayer Advocates should, within six months, implement a formalized and documented method to ensure that supervisors approve analysts reviews of balancing accounts by checking the accuracy and completeness of the work that analysts prepare to support the conclusions of their reviews, including any proposed reductions in recoveries.	Fully Implemented	Office of Ratepayer Advocates
13. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, the commission's Division of Water and Audits should remind analysts to document their reviews properly and remind supervisors to formally indicate that they checked the accuracy and completeness of reviews.	Fully Implemented	California Public Utilities Commission
14. The commission should follow the requirement in state law to inspect and audit the accounting records of utilities it regulates within required time frames. If the commission chooses to continue to meet this requirement through the general rate case process, it should ensure that all utilities file a general rate case on a regular schedule so as to comply with the state law's audit requirement. However, the commission should follow alternate methods to comply with the audit requirement when a utility will not be filing for its general rate case in time to be audited within three or five years, depending on the timing of the required audit for that utility.	Not Fully Implemented	California Public Utilities Commission

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its expenditures are appropriate, the board should do the following: <ul style="list-style-type: none"> <li>Develop and implement a policy that requires the Bar Pilots to submit documentation demonstrating that they booked the most economical refundable airfare and made travel arrangements in the best interest of the State before the board reimburses travel costs. To the extent that the Bar Pilots cannot demonstrate that they booked the most economical refundable fare, the board should reimburse the Bar Pilots only the equivalent of the most economical fare.</li> </ul>	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun
2. To ensure that its expenditures are appropriate, the board should do the following: <ul style="list-style-type: none"> <li>Develop and implement a process for reviewing travel reimbursement invoices, such as requiring the Bar Pilots to submit original receipts and disallowing individual costs for extended travel that exceed the costs for required travel.</li> </ul>	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun
3. To ensure that it consistently adheres to requirements in state law when licensing pilots, the board should do the following: <ul style="list-style-type: none"> <li>Revise its checklist for processing license renewals to include all requirements specified in state law, including evidence that pilots piloted vessels in the past year, and retain copies of pilots continuing education training evaluations.</li> </ul>	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun
4. To ensure that it consistently adheres to requirements in state law when licensing pilots, the board should do the following: <ul style="list-style-type: none"> <li>Develop and use a checklist for issuing original licenses that includes all requirements specified in state law.</li> </ul>	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun

**Report Number 2013-130**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure carrier and public safety, the commission should ensure that the branch develops policies and procedures for receiving complaints and investigating passenger carriers by December 31, 2014. These policies and procedures should ensure that all complaints are entered into the complaints database.	Fully Implemented	California Public Utilities Commission
2. To ensure that it resolves complaints against passenger carriers in a timely manner, the commission should establish a method for prioritizing complaints and it should implement a policy specifying the maximum amount of time between the receipt of a complaint and the completion of the subsequent investigation. Further, the commission should require branch management to monitor and report regularly on its performance in meeting that policy.	Not Fully Implemented	California Public Utilities Commission
3. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should establish standards specifying the types of evidence that it considers sufficient to determine whether a passenger carrier is operating illegally.	Fully Implemented	California Public Utilities Commission
4. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should implement a policy that directs investigators to obtain sufficient evidence to justify determinations and to verify carrier claims that they are no longer operating or are not operating illegally.	Fully Implemented	California Public Utilities Commission
5. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should require investigators to review passenger carriers for compliance with each state law relating to passenger carrier requirements.	Fully Implemented	California Public Utilities Commission
6. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should implement a formal training program to ensure that all investigators have adequate knowledge and skills related to regulating passenger carriers.	Not Fully Implemented	California Public Utilities Commission
7. To better ensure passenger carrier and public safety, the commission should create a system to determine when a carrier merits a penalty and what the magnitude of the penalty should be. In addition, to be an effective deterrent, the amount of such penalties should be more consistent with what state law permits.	Not Fully Implemented	California Public Utilities Commission
8. The commission should require staff to examine and formally report on the feasibility of impounding the vehicles of passenger carriers that refuse to comply with commission orders or that refuse to pay citation penalties and also on the feasibility of making use of the Tax Board's program for intercepting income tax refunds, lottery winnings, and unclaimed property payments to collect unpaid citation penalties.	Not Fully Implemented	California Public Utilities Commission
9. To ensure that passenger carriers submit accurate fee payments, the commission should require its fiscal staff to implement a process to verify passenger carrier fee payments and associated revenue.	Not Fully Implemented	California Public Utilities Commission
10. To ensure that it complies with state law and uses passenger carrier fees appropriately, the commission should implement a process to ensure that passenger carrier fee revenues more closely match related enforcement costs.	Not Fully Implemented	California Public Utilities Commission
11. To ensure that it does not further overcharge the transportation account, the commission should require the branch to review annually all branch staff funding distributions and align them with recent time charges.	Fully Implemented	California Public Utilities Commission
12. To detect and deter carriers from operating illegally at airports, the branch should use as intended the five positions added for passenger carrier enforcement at airports. If the branch chooses not to designate five positions solely for this purpose, then it must be prepared to demonstrate regularly that an equivalent number of full-time positions are working on this activity.	Will Not Implement	California Public Utilities Commission
13. To strengthen its leadership and ensure passenger carrier and public safety, the branch should produce a draft strategic plan by December 31, 2014, with a final strategic plan completed as the commission specifies. The strategic plan should include goals for the program; strategies for achieving those goals, including strategies for staff development and training; and performance measures to assess goal achievement.	Not Fully Implemented	California Public Utilities Commission

**Report Number 2013-126***Antelope Valley Water Rates: Various Factors Contribute to Differences Among Water Utilities (July 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that water customers are able to have an understanding of how rate increases are determined, Quartz Hill Water District should include information in its public notices providing reasonably sufficient details of the basis of its fee methodology.	Not Fully Implemented	Quartz Hill Water District
3. To ensure that Los Angeles County Waterworks, District 40 can demonstrate that it complies with the public notification requirements of Proposition 218, it should retain documentation demonstrating that it mailed required Proposition 218 notifications of pass-through rate increases to water customers during the period that the increased rates are in effect.	Fully Implemented	Los Angeles County Waterworks, District 40
4. To ensure that Quartz Hill Water District can demonstrate that it complies with the public notification requirements of Proposition 218, it should retain documentation demonstrating that it mailed required Proposition 218 notifications of pass-through rate increases to water customers during the period that the increased rates are in effect.	Fully Implemented	Quartz Hill Water District
5. To ensure that water customers are aware of pass-through rate increases, Quartz Hill Water District should adopt a schedule of fees showing how these increases will affect its tiered usage charges before the new rates take effect.	Not Fully Implemented	Quartz Hill Water District
6. To ensure that its water customers have access to Quartz Hill Water District's rate methodology and other factors that help it determine rate increases, the utility should keep all documentation it uses to calculate or otherwise explain the need for rate increases for as long as the rate increases are in effect.	Not Fully Implemented	Quartz Hill Water District
7. To show water customers that they are attempting to keep rates reasonable, the California Water Service Company should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	California Water Service Company
8. To show water customers that they are attempting to keep rates reasonable, Los Angeles County Waterworks, District 40 should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Los Angeles County Waterworks, District 40
9. To show water customers that they are attempting to keep rates reasonable, Palmdale Water District should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Palmdale Water District
10. To show water customers that they are attempting to keep rates reasonable, Quartz Hill Water District should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Quartz Hill Water District
11. To assist low-income water customers, Los Angeles County Waterworks, District 40 should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Fully Implemented	Los Angeles County Waterworks, District 40
12. To assist low-income water customers, Palmdale Water District should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Fully Implemented	Palmdale Water District
13. To assist low-income water customers, Quartz Hill water District should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Will Not Implement	Quartz Hill Water District

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

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

**Report Number 2013-122**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it maximizes opportunities to recover its costs, by January 2015, the department should develop a reporting function in its project management database to track and monitor the statute of limitations expiration dates for its projects.	Fully Implemented	Department of Toxic Substances Control
2. To improve the accuracy of the outstanding costs in its billing system, by January 2015, the department should establish a process to track its settlement agreements to ensure that department staff can verify they have updated information for outstanding costs that reflects all adjustments made for settlements paid and reduced in the billing system.	Fully Implemented	Department of Toxic Substances Control
3. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should do the following: <ul style="list-style-type: none"> <li>Establish processes to monitor and verify that responsible party searches are properly reviewed and approved according to its procedures.</li> </ul>	Fully Implemented	Department of Toxic Substances Control
4. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should do the following: <ul style="list-style-type: none"> <li>Develop written procedures for updating and monitoring its collection letter log.</li> </ul>	Fully Implemented	Department of Toxic Substances Control
5. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should do the following: <ul style="list-style-type: none"> <li>Continue its plan to update policies and procedures for using liens whenever appropriate.</li> </ul>	Fully Implemented	Department of Toxic Substances Control
8. To ensure it loads only accurate billing data into FISCal, the department should continue evaluating projects with outstanding costs in its billing system to meet the July 2015 implementation date.	Not Fully Implemented	Department of Toxic Substances Control
9. To improve the accuracy of its outstanding costs related to the CLEAN loan program and federal grants, the department should do the following: <ul style="list-style-type: none"> <li>Follow through with its plan to update its written procedures to include the changes in billing procedures for the CLEAN loan program.</li> </ul>	Fully Implemented	Department of Toxic Substances Control
10. To improve the accuracy of its outstanding costs related to the CLEAN loan program and federal grants, the department should do the following: <ul style="list-style-type: none"> <li>Continue to identify and remove outstanding costs for the federal grants when it determines it has already received funding.</li> </ul>	Fully Implemented	Department of Toxic Substances Control
11. The department should continue to resolve its questions about its authority to write off outstanding costs under \$5,000. To the extent that it determines it cannot write off outstanding costs, it should pursue collecting the costs.	Fully Implemented	Department of Toxic Substances Control

**Report Number 2014-110**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure it can demonstrate that its fraud prevention efforts are maximizing financial recoveries for the beverage program, CalRecycle should both modify and annually update its fraud management plan to include the following: <ul style="list-style-type: none"> <li>By December 31, 2014, formally establish a systematic process for analyzing, monitoring, and responding to the risk of fraudulent recycling of out-of-state beverage containers.</li> <li>Develop fraud estimates—by type of fraudulent activity—that quantify the potential financial losses to the beverage program and the methodology CalRecycle used to develop these estimates.</li> <li>Identify the amount of actual fraud in the prior year by type of fraudulent activity, such as the financial losses resulting from the redemption of out-of-state beverage containers or the falsification of reports used to substantiate program payments.</li> <li>Identify the amount actually recovered for the beverage program in the form of cash for restitution and penalties resulting from fraud.</li> </ul>	Not Fully Implemented	Department of Resources Recycling and Recovery

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

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. Seek reimbursement of \$415 from the transportation engineer for his misuse of the state vehicle.	Fully Implemented	Department of Transportation
13. Make reasonable efforts to recover the outstanding \$994 from the manager.	Fully Implemented	Water Resources Control Board
14. Contact the state agency that currently employs the manager to coordinate appropriate disciplinary action, to make certain the manager is not in a position to misuse or embezzle additional state funds, and to ensure that the manager's personnel file includes appropriate documentation of her misconduct.	Fully Implemented	Water Resources Control Board
15. Refer the matter to the district attorney in the jurisdiction where the embezzlement occurred for potential prosecution.	Fully Implemented	Water Resources Control Board

**Report Number 2014-136***Coastal Improvement Fund (January 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the public is informed of Los Angeles county's (county) plans for using the improvement fund, the county needs to more clearly communicate its intentions and then update such communications as its plans change. The county's communications could be as simple as a public notice and a posting to its website that include the following: <ul style="list-style-type: none"> <li>Information on the specific projects and parcels in Marina del Rey where it intends to spend money from the improvement fund for the development of open space (or a time frame for making such a decision).</li> <li>The time frame for the expected start and completion of such projects.</li> </ul>	Partially Implemented	Los Angeles County Department of Regional Planning

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to Public Works. Specifically, such policies should include a protocol for how Regional Planning communicates the amount due to Beaches and Harbors.	Fully Implemented	Los Angeles County Department of Regional Planning
3. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to Public Works. Specifically, such policies should include a protocol for how Beaches and Harbors informs Public Works that the developer has paid the fee to the improvement fund.	Fully Implemented	Los Angeles County Department of Beaches and Harbors
4. To ensure that developers do not receive project credits to which they are not entitled, the county should develop a mechanism that will allow its enforcement unit to verify that the developer actually earned the credits it received.	Fully Implemented	Los Angeles County Department of Regional Planning

**Report Number 2014-124**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To make certain that the research program contributes to the goals of the solar initiative, the commission should conduct a program evaluation before the remaining grant projects are completed.	Partially Implemented	Public Utilities Commission
3. To show how air pollution emissions reductions related to the solar initiative benefit the State, the commission should include in future reports the measurable benefits of those reductions.	No Action Taken	Public Utilities Commission
5. To ensure that the decal fee is sufficient to reimburse program costs, Motor Vehicles should periodically perform a full cost analysis of the decal program and update the fee accordingly	Partially Implemented	Department of Motor Vehicles

**Report Number 2014-105**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the Los Angeles Board of Water and Power Commissioners (board) can more effectively exercise oversight for the department's significant information technology projects, the board should establish a standing committee comprised of board members to oversee and critically evaluate the status of the department's various information technology projects. Given the limited tenure of board members and the potential for multiyear and high-cost information technology projects, the board president should consider appointing as many committee members as practicable in order to promote continuity of oversight.	Partially Implemented	Los Angeles Department of Water and Power
2. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop reporting standards for the department's management to follow when discussing the status of information technology projects with the standing committee or the board. Such reporting standards should, at a minimum, specify the frequency with which the department's management makes such reports and require the following disclosures about each information technology project: <ul style="list-style-type: none"> <li>The amount of project growth, in terms of both budget and scope of work, from initial project estimates through current projections.</li> <li>The results from system testing and a listing of the critical defects that exist and must be fixed prior to system use.</li> <li>The concerns the quality assurance contractor has raised and how the department is addressing them.</li> </ul>	Partially Implemented	Los Angeles Department of Water and Power

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop a process for the board to designate certain information technology projects as having a potentially significant effect on business operations or customer relations, and require that department managers first obtain the board's approval before launching such critical new systems.	Partially Implemented	Los Angeles Department of Water and Power
4. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a centralized listing of all employees participating in each stage of the contracting process (proposal development, bid evaluation, and contract award), and who are required to submit conflict-of-interest disclosure forms per the board's policy.	Fully Implemented	Los Angeles Department of Water and Power
5. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a central depository of the conflict-of-interest certifications submitted by each employee.	Fully Implemented	Los Angeles Department of Water and Power

**Report Number 2014-132***Apple Valley Area Water Rates: Differences in Costs Affect Water Utilities' Rates, and One Utility May Have Spent Millions of Ratepayer Funds Inappropriately (April 2015)*

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

**Report Number 2014-122**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. The board should ensure that management continues to develop and strengthen its controls over the Ross Valley Sanitary District's (district) financial and administrative functions. For example, district management should fully implement all of the external auditor's remaining recommendations by June 30, 2015. Management should also ensure that its staff follow these policies and should create and implement a plan for monitoring its system of controls. The board should also consider periodically contracting with qualified professionals to conduct a review of the effectiveness of the district's system of internal controls.</p>	Partially Implemented	Ross Valley Sanitary District
<p>2. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Make it clear that the activities of approving invoices, recording invoices, preparing checks, and reconciling bank statements to the district's records should be performed by separate individuals.</li> </ul>	Pending	Ross Valley Sanitary District
<p>3. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Make it clear who is responsible for reviewing and approving monthly bank reconciliations.</li> </ul>	Pending	Ross Valley Sanitary District
<p>4. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Limit California lodging costs to the rate set by the State for its employees, and limit any out-of-state lodging costs to rates set by the federal government for its employees. In addition, the district should remove from its travel policy the reimbursement for exercise equipment use.</li> </ul>	Pending	Ross Valley Sanitary District
<p>5. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Require periodic reporting of financial information to the board.</li> </ul>	Pending	Ross Valley Sanitary District
<p>6. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Require a periodic review to ensure that only appropriate personnel are included as authorized signers on financial accounts.</li> </ul>	Pending	Ross Valley Sanitary District
<p>7. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Establish an appropriate system for tracking and valuing inventory.</li> </ul>	Pending	Ross Valley Sanitary District
<p>8. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Require employees to obtain their supervisor's approval before working paid overtime.</li> </ul>	Pending	Ross Valley Sanitary District
<p>9. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Require all employees, including managers, to complete timesheets to track time worked and any compensated time off.</li> </ul>	Fully Implemented	Ross Valley Sanitary District
<p>10. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Develop and document a process for reviewing and monitoring designated employees' and board members' filing of Form 700.</li> </ul>	Pending	Ross Valley Sanitary District
<p>11. The district should strengthen its financial and administrative policies to do the following:</p> <ul style="list-style-type: none"> <li>• Develop and document a policy that requires board members and designated employees to attend ethics training biannually and a process for monitoring attendance.</li> </ul>	Fully Implemented	Ross Valley Sanitary District
<p>12. To clarify the roles and responsibilities of board members, the district should create a more comprehensive board member manual that describes all of the board's roles and fiduciary responsibilities. This manual should address the best practices contained in the California Special Districts Association's Special District Board Member/Trustee Handbook. The district should also provide for additional training for board members in the following areas over which they exercise important responsibilities: financial management, contracting, emergency procurement, and human resources.</p>	Pending	Ross Valley Sanitary District

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

## Report Number 2014-120

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in CIMS, the branch should update and provide further training to its staff on properly classifying complaints by September 30, 2015.	Fully Implemented	California Public Utilities Commission

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in CIMS, the branch should continue to implement its quality management team program component focused on reviewing the categorization of complaints and correcting identified errors.	Pending	California Public Utilities Commission
4. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in CIMS, the branch should develop and implement tools by September 30, 2015, to measure the quality management team program's effectiveness.	Pending	California Public Utilities Commission
5. To ensure that policy makers, enforcement officials, and the general public have access to accurate consumer complaint data in CIMS, the branch should update by June 30, 2015, its guidance for categorizing complaints to better integrate with the BRM. For example, the guidance should specify that nonjurisdictional complaints should be classified as such.	Fully Implemented	California Public Utilities Commission
6. To ensure that policy makers, enforcement officials, and the general public have access to more complete and meaningful consumer complaints data in CIMS, the branch should, to the fullest extent possible, include the attributes of each complaint in the data it records in CIMS.	Pending	California Public Utilities Commission
7. To ensure that branch staff provide the appropriate assistance to consumers with VoIP-related complaints, the branch should, by September 30, 2015, further train its staff on the requirements of the VoIP job aid and on providing correspondence to complainants as its guidelines require.	Fully Implemented	California Public Utilities Commission
8. To ensure that consumers have access to complaint data that will enhance their ability to make informed choices about their telecommunication services, the branch should, by June 30, 2015, create an updated plan that specifies the types of data the branch intends to post online and a timeline for fully implementing that plan.	Fully Implemented	California Public Utilities Commission
9. To ensure that it can assess the value to the public of the complaint data it presents on its website, the branch should create a process for those who view its complaint data to provide feedback to the branch including, if necessary, modifying the survey that it uses to collect feedback on LEP data.	Pending	California Public Utilities Commission
10. To ensure that the public can easily locate customer complaint data the branch publishes on its website, the commission should make navigating to its customer complaint data more intuitive and direct.	Pending	California Public Utilities Commission
11. The commission should ensure that it complies with all policy requirements in SAM Chapter 5300 no later than April 2016.	Pending	California Public Utilities Commission
12. As part of developing, implementing, and maintaining an entity wide information security program, the commission should complete and main an inventory of all its information assets, specifically categorizing the level of required security of the information assets based on the potential impact that a loss of confidentiality, integrity, or availability of such information would have on its operations and assets.	Pending	California Public Utilities Commission
13. As part of developing, implementing, and maintaining an entity wide information security program, the commission should develop a risk management and privacy plan and conduct an assessment of risks facing its information assets.	Pending	California Public Utilities Commission
14. As part of developing, implementing, and maintaining an entity wide information security program, the commission should develop, implement, and maintain an information security plan as part of its entity wide information security program.	Pending	California Public Utilities Commission
15. The commission should develop, disseminate, and maintain an incident response plan.	Pending	California Public Utilities Commission
16. The commission should revise its existing recovery plan to include a list of applications supporting critical business functions, their maximum acceptable outage time frames, and detailed recovery strategies for each application.	Pending	California Public Utilities Commission
17. The commission should revise its existing recovery plan to include detailed procedures for rebuilding its technology infrastructure at an alternate processing site.	Pending	California Public Utilities Commission
18. The commission should conduct regular tests and exercises to assess the sufficiency of the revised recovery plan and refine the plan when necessary.	Pending	California Public Utilities Commission
19. The commission should ensure that any certifications it submits to CalTech accurately represent its information security environment.	Fully Implemented	California Public Utilities Commission

**Report Number 2015-506**

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

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

**Report Number I2015-1**

*Investigations of Improper Activities by State Agencies and Employees (August 2015)*

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

**Report Number 2015-102**

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

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To ensure its contract amendments reflect the authorization of the board, the district should revise its administrative code to require the general manager to submit a quarterly report to the district's board detailing all its contracts, contract amendments, and contract and amendment dollar amounts.	Pending	Central Basin Municipal Water District
13. To ensure it receives the best value from its contracts, the district should do the following by June 2016: <ul style="list-style-type: none"> <li>Adopt and implement a policy requiring that it include in all its contracts' scopes of work specific, well-defined deliverables, measurable results, timelines or progress reports, and evaluations of the contractors once they complete the work.</li> </ul>	Pending	Central Basin Municipal Water District
14. To ensure it receives the best value from its contracts, the district should do the following by June 2016: <ul style="list-style-type: none"> <li>Ensure project managers verify services were rendered before approving invoices for payment.</li> </ul>	Pending	Central Basin Municipal Water District
15. To ensure it receives the best value from its contracts, the district should do the following by June 2016: <ul style="list-style-type: none"> <li>Create processes for project managers to organize and retain contract files that include important documents such as vendor performance and deliverable verification and acceptance.</li> </ul>	Pending	Central Basin Municipal Water District
16. To ensure its employees are able to properly administer contracts, by September 2016 the district should follow through with its plan to require that staff responsible for project management attend training by a reputable trainer on contract management.	Pending	Central Basin Municipal Water District
17. To minimize its risk when contracting with vendors, the district should adhere to its administrative code and execute all contracts only after approval by its general counsel. Further, the district should amend its administrative code to prohibit engaging in a verbal contract. Finally, the district should continue to report to its finance committee all sole-source contracts and contracts entered under the general manager's authority.	Pending	Central Basin Municipal Water District
18. To ensure its expenditures do not constitute gifts of public funds, the district should do the following: <ul style="list-style-type: none"> <li>Immediately eliminate its allocation of funds to individual board members for community outreach.</li> </ul>	Pending	Central Basin Municipal Water District
19. To ensure its expenditures do not constitute gifts of public funds, the district should do the following: <ul style="list-style-type: none"> <li>Develop policies that specify limitations on the types of activities it will sponsor in the future to ensure that it funds only those organizations whose activities have a direct link to its authorized purposes. For example, it should eliminate its purchase of holiday turkeys.</li> </ul>	Pending	Central Basin Municipal Water District
20. To ensure its expenditures do not constitute gifts of public funds, the district should do the following: <ul style="list-style-type: none"> <li>Revise its administrative code by June 2016 to include more specific guidance as to what constitutes a reasonable and necessary use of public funds. The guidance should establish restrictions on the amount spent for board member installation ceremonies. It should also include a process for the district to ensure that expenses are reasonable and necessary before it pays them.</li> </ul>	Pending	Central Basin Municipal Water District
21. To ensure it considers the most qualified candidates for positions, the district should follow its established hiring policies. Specifically, it should use a competitive hiring process and ensure that its board first formally approves all positions for which the district recruits. Further, the district should consider for employment only individuals who meet the established minimum qualifications for the positions for which they have applied. If the district believes certain qualifications are not necessary for a position, it should indicate in the position description that such qualifications are desirable but not required.	Pending	Central Basin Municipal Water District
22. To ensure that it does not inappropriately grant undeserved raises to its staff, the district should follow its policy to provide annual performance evaluations to all employees.	Pending	Central Basin Municipal Water District
23. To ensure it is efficiently using its resources, the district should do the following: <ul style="list-style-type: none"> <li>Eliminate its board members' automobile or transportation allowances and instead reimburse them based on their business mileage or transit use.</li> </ul>	Pending	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24. To ensure it is efficiently using its resources, the district should do the following: <ul style="list-style-type: none"> <li>• Periodically analyze and, beginning in June 2016, report to the board whether all elements of its board member compensation, including health and related benefits, are appropriate and reflect the common practices of special districts.</li> </ul>	Pending	Central Basin Municipal Water District
25. To ensure it is efficiently using its resources, the district should do the following: Adopt a policy that its general managers will participate in benefits at the same level as district staff and that the board will negotiate the general managers' contracts on the basis of salary and not other benefits, such as retirement.	Pending	Central Basin Municipal Water District
26. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for the following: Air travel that is coach or an equivalent class.	Pending	Central Basin Municipal Water District
27. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for the following: Meetings and conferences that have a direct connection to water policy or the district's mission. It should update its list of such preapproved meetings accordingly.	Pending	Central Basin Municipal Water District
28. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for the following: Lodging expenses that reflect group or government rates, unless there is documentation that such rates are unavailable.	Pending	Central Basin Municipal Water District
29. To ensure it reimburses only reasonable and necessary meal expenses, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure that all board members and staff, especially those who process reimbursement claims, are familiar with its meal reimbursement limits.	Pending	Central Basin Municipal Water District
30. The district should revise its administrative code by June 2016 to prohibit paying for or reimbursing meals that occur within the local area that involve meetings either between only district representatives or between district representatives and the district's contractors.	Pending	Central Basin Municipal Water District
31. The district should revise its administrative code by June 2016 to prohibit paying for the costs of meals provided to third parties.	Pending	Central Basin Municipal Water District
32. To ensure it complies with state law and its own administrative code, the district should require board members to report back to the board on meetings and conferences they attend at the district's expense. The district should record these reports in meeting minutes or document them in expense files before it reimburses the board members for their travel expense claims.	Pending	Central Basin Municipal Water District



## Senate Budget Subcommittee 3 on Health and Human Services

Report Number 2013-110

*Child Welfare Services: The County Child Welfare Services Agencies We Reviewed Must Provide Better Protection for Abused and Neglected Children (April 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that referral response decisions are accurate, the Butte County CWS agency should develop policies requiring a supervisory review of the hotline tool and a monitoring system to ensure that supervisory reviews are completed.	Fully Implemented	Butte County Department of Employment and Social Services
2. To ensure that referral response decisions are accurate, the San Francisco County CWS agency should develop policies requiring a supervisory review of the hotline tool and a monitoring system to ensure that supervisory reviews are completed.	Fully Implemented	City and County of San Francisco Human Services Agency
3. To ensure that referral response decisions are accurate, the Orange County CWS agency should ensure that all intake supervisors are trained on the use of the hotline tool and that they are regularly reviewing their staffs use of this tool.	Fully Implemented	Orange County Social Services Agency
4. To ensure that the statewide case management system contains accurate and complete information for each referral, the Butte County CWS agency should update its policies or otherwise provide clear guidance to social workers about the importance of ensuring that all alleged perpetrators, victims, and types of maltreatment are accurately recorded upon intake.	Fully Implemented	Butte County Department of Employment and Social Services
5. To ensure that the statewide case management system contains accurate and complete information for each referral, the Orange County CWS agency should update its policies or otherwise provide clear guidance to social workers about the importance of ensuring that all alleged perpetrators, victims, and types of maltreatment are accurately recorded upon intake.	Fully Implemented	Orange County Social Services Agency
6. To ensure that the statewide case management system contains accurate and complete information for each referral, the San Francisco County CWS agency should update its policies or otherwise provide clear guidance to social workers about the importance of ensuring that all alleged perpetrators, victims, and types of maltreatment are accurately recorded upon intake.	Fully Implemented	City and County of San Francisco Human Services Agency
7. To ensure that social workers are making reasonable and timely efforts to make in-person contact with children who are allegedly being maltreated, the Butte County CWS agency should develop clear policies for how frequently social workers must follow up with alleged victims in the event that initial attempts at contact are unsuccessful.	Fully Implemented	Butte County Department of Employment and Social Services
8. To ensure that social workers are making reasonable and timely efforts to make in-person contact with children who are allegedly being maltreated, the San Francisco County CWS agency should develop clear policies for how frequently social workers must follow up with alleged victims in the event that initial attempts at contact are unsuccessful.	Fully Implemented	City and County of San Francisco Human Services Agency
9. To ensure that social workers are making reasonable and timely efforts to make in-person contact with children who are allegedly being maltreated, the Butte County CWS agency should develop clear policies about the method and duration of social workers attempts at making contact with hard-to-reach families, and clearly state under what circumstances a referral may be closed for lack of contact.	Fully Implemented	Butte County Department of Employment and Social Services
10. To ensure that social workers are making reasonable and timely efforts to make in-person contact with children who are allegedly being maltreated, the San Francisco County CWS agency should develop clear policies about the method and duration of social workers attempts at making contact with hard-to-reach families, and clearly state under what circumstances a referral may be closed for lack of contact.	Fully Implemented	City and County of San Francisco Human Services Agency
11. To ensure that its social workers are following its policy regarding timely follow-up visits, the Orange County CWS agency should provide training or other clarification of its policy and have its supervisors regularly review whether their staff are complying with this requirement.	Fully Implemented	Orange County Social Services Agency
12. To ensure that all required SDM assessments are completed, the Butte County CWS agency should develop and implement clear guidance regarding which assessments are required in different situations.	Fully Implemented	Butte County Department of Employment and Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13. To ensure that all required SDM assessments are completed, the San Francisco County CWS agency should develop and implement clear guidance regarding which assessments are required in different situations.	Fully Implemented	City and County of San Francisco Human Services Agency
14. To improve the timeliness and accuracy of SDM assessments, the Butte County CWS agency should ensure that its supervisors are promptly reviewing assessments.	Fully Implemented	Butte County Department of Employment and Social Services
15. To improve the timeliness and accuracy of SDM assessments, the Orange County CWS agency should ensure that its supervisors are promptly reviewing assessments.	Fully Implemented	Orange County Social Services Agency
16. To improve the timeliness and accuracy of SDM assessments, the San Francisco County CWS agency should ensure that its supervisors are promptly reviewing assessments.	Fully Implemented	City and County of San Francisco Human Services Agency
17. To improve the timeliness of its supervisors reviews, the Butte County CWS agency should develop time frames for supervisors review and approval of assessments and monitor supervisors compliance with those time frames.	Fully Implemented	Butte County Department of Employment and Social Services
18. To improve the timeliness of its supervisors reviews, the San Francisco County CWS agency should develop time frames for supervisors review and approval of assessments and monitor supervisors compliance with those time frames.	Fully Implemented	City and County of San Francisco Human Services Agency
19. To improve the timeliness of its supervisors reviews, the Orange County CWS agency should more closely monitor supervisors compliance with its existing policy setting a 30-day time frame for review and approval of assessments.	Fully Implemented	Orange County Social Services Agency
20. To improve the quality of the investigative information available to social workers, the Butte County CWS agency should expand on its investigative narrative templates to include fields such as relevant criminal history, substance abuse, or mental health concerns.	Fully Implemented	Butte County Department of Employment and Social Services
21. To improve the quality of the investigative information available to social workers the San Francisco County CWS agency should expand on its investigative narrative templates to include fields such as relevant criminal history, substance abuse, or mental health concerns.	Fully Implemented	City and County of San Francisco Human Services Agency
22. To ensure that required safety plans are created, the Butte County CWS agency should have supervisors review all safety assessments in a timely manner and verify that a written safety plan signed by the responsible parties accompanies any assessments designating the need for a safety plan.	Fully Implemented	Butte County Department of Employment and Social Services
23. To ensure that required safety plans are created, the Orange County CWS agency should have supervisors review all safety assessments in a timely manner and verify that a written safety plan signed by the responsible parties accompanies any assessments designating the need for a safety plan.	Fully Implemented	Orange County Social Services Agency
24. To ensure that required safety plans are created, the San Francisco County CWS agency should have supervisors review all safety assessments in a timely manner and verify that a written safety plan signed by the responsible parties accompanies any assessments designating the need for a safety plan.	Fully Implemented	City and County of San Francisco Human Services Agency
25. To help strengthen safety plans to effectively mitigate safety threats, the Butte County CWS agency should ensure that supervisors are reviewing and approving all safety plans.	Fully Implemented	Butte County Department of Employment and Social Services
26. To help strengthen safety plans to effectively mitigate safety threats, the Orange County CWS agency should ensure that supervisors are reviewing and approving all safety plans.	Fully Implemented	Orange County Social Services Agency

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
27. To help strengthen safety plans to effectively mitigate safety threats, the San Francisco County CWS agency should ensure that supervisors are reviewing and approving all safety plans.	Fully Implemented	City and County of San Francisco Human Services Agency
28. As part of its responsibility to help children remain safe at all points during the investigation of a referral, the Butte County CWS agency should vet temporary living situations and caregivers to the extent allowable under the law, including a review of information contained within the statewide CWS database.	Fully Implemented	Butte County Department of Employment and Social Services
29. As part of its responsibility to help children remain safe at all points during the investigation of a referral, the Orange County CWS agency should vet temporary living situations and caregivers to the extent allowable under the law, including a review of information contained within the statewide CWS database.	Fully Implemented	Orange County Social Services Agency
30. As part of its responsibility to help children remain safe at all points during the investigation of a referral, the San Francisco County CWS agency should vet temporary living situations and caregivers to the extent allowable under the law, including a review of information contained within the statewide CWS database.	Fully Implemented	City and County of San Francisco Human Services Agency
31. As part of its responsibility to help children remain safe at all points during the investigation of a referral, the Butte County CWS agency should perform statutorily required background checks and inspections before allowing children to be placed in a home.	Fully Implemented	Butte County Department of Employment and Social Services
32. As part of its responsibility to help children remain safe at all points during the investigation of a referral, the Orange County CWS agency should perform statutorily required background checks and inspections before allowing children to be placed in a home.	Fully Implemented	Orange County Social Services Agency
33. As part of its responsibility to help children remain safe at all points during the investigation of a referral, the San Francisco County CWS agency should perform statutorily required background checks and inspections before allowing children to be placed in a home.	Fully Implemented	City and County of San Francisco Human Services Agency
34. To improve its coordination and communication with local law enforcement, the San Francisco County CWS agency should consider entering into a memorandum of understanding with the applicable law enforcement agency that delineates how the two agencies will share information and assist each other in responding to child maltreatment.	Fully Implemented	City and County of San Francisco Human Services Agency
35. To ensure that they provide clear, up-to-date guidance to its social workers, the Butte County CWS agency should designate specific personnel to stay informed of relevant statutory, regulatory, and needed practice changes and to ensure that corresponding updates are made to its policies and procedures.	Fully Implemented	Butte County Department of Employment and Social Services
36. To ensure that they provide clear, up-to-date guidance to its social workers, the San Francisco County CWS agency should designate specific personnel to stay informed of relevant statutory, regulatory, and needed practice changes and to ensure that corresponding updates are made to its policies and procedures.	Fully Implemented	City and County of San Francisco Human Services Agency
37. To ensure that its social workers and supervisors are performing required activities in a timely and effective manner, the San Francisco County CWS agency should follow through on its plans to develop a quality assurance unit. The unit should regularly review and report to management on the degree of compliance with, and effectiveness of, the agency's policies and procedures.	Fully Implemented	City and County of San Francisco Human Services Agency
38. To promote the consistent application of agency policies and procedures, and to provide a consistent framework for its reviews, the quality assurance unit that monitors the Orange County CWS agency should complete its plans to develop and regularly use tools for examining the quality of investigative and ongoing casework.	Fully Implemented	Orange County Social Services Agency
39. To be able to review regularly more referrals and cases, the Butte County CWS agency should consider adding additional staff to its quality assurance function.	Fully Implemented	Butte County Department of Employment and Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
40. To promote continued improvement in the CWS system, Social Services should encourage each county CWS agency to designate personnel to update regularly their policies and procedures, to include a detailed description of the need for ongoing supervisory reviews of key aspects of their respective service processes and incorporate that description into their policies and procedures, and to designate personnel to perform regular quality assurance reviews.	Partially Implemented	Department of Social Services
41. To promote continued improvement in the CWS system, Social Services should ask each county CWS agency to report to Social Services on the status of these efforts within 60 days, six months, and one year from the publication of this audit report.	Not Fully Implemented	Department of Social Services

**Report Number 2013-119***California Department of Health Care Services: Its Failure to Properly Administer the Drug Medi-Cal Treatment Program Created Opportunities for Fraud (August 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately coordinate with the appropriate counties to recover inappropriate payments to ineligible providers and for services purportedly rendered to deceased beneficiaries.	Pending	Department of Health Care Services
2. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately develop and implement new procedures for routinely identifying and initiating recovery efforts for payments that it authorizes between the effective date of a provider's decertification and the date it became aware of the decertification, in addition to the payments it authorizes between a beneficiary's death date and its receipt of the death record.	Pending	Department of Health Care Services
3. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately direct its investigations division to determine whether it authorized any improper payments to program providers for deceased beneficiaries outside of our audit period. It should also determine whether it authorized such payments through its other Medi-Cal programs. Health Care Services should initiate efforts to recover such payments as appropriate.	Pending	Department of Health Care Services
4. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately direct its investigations division to determine whether it should recover any overpayments for the high-risk payments we identified in Table 7 on page 28 and Appendix A beginning on page 63. It should also take the appropriate disciplinary action against the affected providers, such as suspension or termination.	Pending	Department of Health Care Services
5. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately direct its investigations division to further enhance its analysis of program claims data to identify the type of high-risk payments we identified on a monthly basis.	Fully Implemented	Department of Health Care Services
6. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately direct its fiscal management and accountability branch to work with Fresno, Los Angeles, and Sacramento counties to recover the specific overpayments we identified during our visits.	Pending	Department of Health Care Services
7. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately instruct the counties to remind their providers to adhere to the record retention policies stated in their contracts.	Fully Implemented	Department of Health Care Services
8. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately ensure that each county has a process in place to follow up on their providers' implementation of corrective action plans aimed at resolving program deficiencies.	Fully Implemented	Department of Health Care Services
9. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately ensure that Fresno County strengthens its provider contract monitoring process, including revising its report format and conducting follow-up visits to providers.	Fully Implemented	Department of Health Care Services
10. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately ensure that Los Angeles County strengthens its provider contract monitoring process, including fully implementing its RATE system to track and respond to provider deficiencies, and that it imposes appropriate responses when warranted, such as withholding payment or suspending or terminating a contract.	Pending	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure that the providers receive reimbursement for only valid services, Health Care Services should immediately ensure that Sacramento County strengthens its provider contract monitoring process, including tracking provider deficiencies and conducting follow-up visits to providers.	Fully Implemented	Department of Health Care Services
12. To prevent the certification of ineligible providers, Health Care Services should immediately instruct its staff to compare the names of the managing employees whom applicant providers identify in their program applications to those whom they identify in their disclosure statements.	Fully Implemented	Department of Health Care Services
13. To prevent the certification of ineligible providers, Health Care Services should immediately train its staff regularly on the program requirements, including the certification standards and the federal Medicaid provider enrollment requirements.	Fully Implemented	Department of Health Care Services
14. To prevent the certification of ineligible providers, Health Care Services should immediately develop a provider agreement for program providers.	Fully Implemented	Department of Health Care Services
15. To prevent the certification of ineligible providers, Health Care Services should immediately update its procedures to include searches of the Social Security Death Master File.	Fully Implemented	Department of Health Care Services
16. To prevent the certification of ineligible providers, Health Care Services should immediately develop procedures on how to evaluate provider applicant license database searches.	Fully Implemented	Department of Health Care Services
17. To prevent the certification of ineligible providers, Health Care Services should immediately instruct its enrollment division to conduct all required database searches of individuals that provider applicants identify as their owners or managing employees.	Fully Implemented	Department of Health Care Services
18. To prevent the certification of ineligible providers, Health Care Services should immediately ensure that its enrollment division conducts LEIE and EPLS database searches of program providers at least monthly.	Partially Implemented	Department of Health Care Services
19. To prevent the certification of ineligible providers, Health Care Services should immediately designate provider applicants as moderate or high risk in accordance with federal regulations.	Fully Implemented	Department of Health Care Services
20. To prevent the certification of ineligible providers, Health Care Services should immediately establish a mechanism to identify the number of program sites the provider applicants' medical directors work at, and ensure that the physician ratio does not exceed 1-to-3 in accordance with state law and the certification standards.	Pending	Department of Health Care Services
21. To prevent the certification of ineligible providers, Health Care Services should immediately identify and perform an immediate recertification of providers that signed the Compliance Agreement to ensure that these providers are currently meeting all program requirements.	Pending	Department of Health Care Services
22. To prevent the certification of ineligible providers, Health Care Services should immediately use a risk-based approach for recertifying program providers.	Fully Implemented	Department of Health Care Services
23. To prevent the certification of ineligible providers, Health Care Services should immediately develop policies and procedures for its program recertification process.	Fully Implemented	Department of Health Care Services
24. To prevent the certification of ineligible providers, Health Care Services should immediately develop a schedule for recertifying all program providers every five years.	Pending	Department of Health Care Services
25. To prevent the certification of ineligible providers, Health Care Services should immediately continue its implementation of an automated provider enrollment system.	Pending	Department of Health Care Services
26. To prevent the certification of ineligible providers, Health Care Services should immediately complete its program recertification on or before March 24, 2016, as federal regulations require.	Pending	Department of Health Care Services
27. To prevent the certification of ineligible providers, Health Care Services should immediately establish a plan for eliminating its backlog of applications for new sites and services and changes to existing certifications.	Pending	Department of Health Care Services
28. To ensure that it appropriately and consistently reviews provider applications and conducts site visits, Health Care Services should update its program checklists to reflect the current federal and state laws and regulations.	Fully Implemented	Department of Health Care Services
29. To ensure that it appropriately and consistently reviews provider applications and conducts site visits, Health Care Services should retain the documentation, such as checklists, that it uses to support its certification decisions in accordance with its retention policy.	Fully Implemented	Department of Health Care Services
30. To ensure that it appropriately and consistently reviews provider applications and conducts site visits, Health Care Services should ensure that supervisors perform detailed reviews of all provider applicants' files, including the application, disclosure statement, and checklists, and that they evidence their reviews by signing off on the appropriate forms.	Fully Implemented	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
31. To improve the coordination between its divisions, branches, and units and ensure that it addresses allegations of fraud in a timely manner, Health Care Services should continue its efforts to develop its provider risk assessment model for the PSPP unit.	Fully Implemented	Department of Health Care Services
32. To improve the coordination between its divisions, branches, and units and ensure that it addresses allegations of fraud in a timely manner, Health Care Services should continue its efforts to establish a mechanism for its PSPP unit to report the status of fraud referrals to SUD management and its investigations division.	Fully Implemented	Department of Health Care Services
33. To improve the coordination between its divisions, branches, and units and ensure that it addresses allegations of fraud in a timely manner, Health Care Services should fully implement the investigations division's recommendations shown in Appendix B. If it chooses not to implement a recommendation, it should document sufficiently the reasons for its decision.	Pending	Department of Health Care Services
34. To strengthen the coordination between the State and the counties, Health Care Services should amend the State-county contract to address any gaps in their collective monitoring efforts.	Fully Implemented	Department of Health Care Services
35. To ensure that beneficiaries have safe and reliable access to program services, Health Care Services should amend the State-county contract to allow a process for counties to notify their key partners of the providers that it has suspended.	Fully Implemented	Department of Health Care Services

**Report Number 2014-111**

*California Department of Public Health: It Has Not Effectively Managed Investigations of Complaints Related to Long-Term Health Care Facilities (October 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To protect the health, safety, and well-being of residents in long-term health care facilities, Public Health should improve its oversight of complaint processing. Specifically, by January 1, 2015, Public Health should establish and implement a formal process for monitoring the status and progress in resolving open facility-related complaints and ERIs at all district offices. This process should include periodically reviewing a report of open complaints and ERIs to ensure that all complaints and ERIs are addressed promptly.	Fully Implemented	Department of Public Health
2. To protect the health, safety, and well-being of residents in long-term health care facilities, Public Health should improve its oversight of complaint processing. Specifically, by January 1, 2015, Public Health should improve the accuracy of information in the spreadsheet that PCB uses to track the status of complaints against individuals and review the reports of open complaints to ensure that all complaints are addressed promptly.	Pending	Department of Public Health
3. To protect the health, safety, and well-being of residents in long-term health care facilities, Public Health should improve its oversight of complaint processing. Specifically, by May 1, 2015, Public Health should establish a specific time frame for completing facility-related complaint investigations and ERI investigations and inform staff of the expectation that they will meet the time frame. Public Health should also require district offices to provide adequate, documented justification whenever they fail to meet this time frame.	Partially Implemented	Department of Public Health
4. To protect the health, safety, and well-being of residents in long-term health care facilities, Public Health should improve its oversight of complaint processing. Specifically, by May 1, 2015, Public Health should develop formal written policies and procedures for PCB to process complaints about certified individuals in a timely manner. These policies and procedures should include specific time frames for prioritizing and assigning complaints to investigators, for initiating investigations, and for completing the investigations. Public Health should also inform staff of the expectation that they will meet these time frames. It should require PCB to provide adequate, documented justification whenever PCB fails to meet the time frames.	Partially Implemented	Department of Public Health
5. To ensure that district offices address ERIs consistently and to ensure that they investigate ERIs in the most efficient manner, Public Health should assess whether each district office is appropriately prioritizing ERIs. Specifically, it should determine, on a district-by-district basis, whether district offices' assigning ERIs a priority level that requires an on-site visit is justified. This assessment should also determine whether each district office is prioritizing ERIs appropriately when determining that on-site investigations are not necessary.	Fully Implemented	Department of Public Health

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure that district offices address ERIs consistently and to ensure that they investigate ERIs in the most efficient manner, Public Health should use the information from its assessment to provide guidance to district offices by October 1, 2015, on best practices for consistent and efficient processing of ERIs.	Pending	Department of Public Health
7. To ensure that district offices address ERIs consistently and to ensure that they investigate ERIs in the most efficient manner, Public Health should review periodically a sample of the priorities that district offices assign to ERIs to ensure compliance with best practices.	Pending	Department of Public Health
8. To protect the residents in long-term health care facilities from potential harm, Public Health should ensure that its district offices have adequate staffing levels for its licensing and certification responsibilities, including staffing levels that allow prompt investigations of complaints. Specifically, Public Health should continue working with CalHR to complete the reclassification of district offices' investigator supervisor and manager positions and then quickly fill the vacant positions at district offices.	Partially Implemented	Department of Public Health
9. To protect the residents in long-term health care facilities from potential harm, Public Health should ensure that its district offices have adequate staffing levels for its licensing and certification responsibilities, including staffing levels that allow prompt investigations of complaints. Specifically, Public Health should complete by May 1, 2015, a staffing assessment to identify the resources necessary for district offices to investigate open complaints and ERIs and to promptly address new complaints on an ongoing basis. Public Health should use this assessment to request additional resources, if necessary.	Fully Implemented	Department of Public Health
10. To protect the residents in long-term health care facilities from potential harm, Public Health should ensure that its district offices have adequate staffing levels for its licensing and certification responsibilities, including staffing levels that allow prompt investigations of complaints. Specifically, by January 1, 2015, Public Health should establish a time frame for fully implementing the recommendations that its consultant identified related to the processing of complaints about long-term health care facilities.	Fully Implemented	Department of Public Health
11. Public Health should take steps to ensure that PCB has the resources necessary on an ongoing basis to complete investigations of complaints against individuals. Specifically, Public Health should assess whether the temporary resources it has received are adequate to reduce the number of open complaints to a manageable level. This assessment should also determine whether permanent resources assigned to PCB are adequate to address future complaints. Public Health should use this assessment to request additional resources, if necessary.	Pending	Department of Public Health
12. To ensure that its district offices properly investigate complaints and ERIs, Public Health should make certain that all district offices follow procedures requiring supervisory review and approval of complaint and ERI investigations. If the district offices do not have a sufficient number of supervisors to review investigations they did not conduct, Public Health should arrange to assist the districts until such time that they do have a sufficient number of supervisors.	Pending	Department of Public Health
13. To make certain that its district offices comply with federal requirements regarding corrective action plans, Public Health should establish a process for its headquarters or regional management to inspect district office records periodically to confirm that they are obtaining corrective action plans according to the required time frame and verifying that facilities have performed the corrective actions described in the plans when required.	Pending	Department of Public Health
14. To ensure that it has closed complaints and ERIs appropriately, Public Health should take steps by April 2015 to verify that complaints that its field operations branch closed administratively were closed appropriately. For example, it could request the district offices to verify that the closures were appropriate.	Pending	Department of Public Health
15. To improve oversight of its district offices' complaint and ERI investigation process, Public Health should increase its monitoring of the district offices' compliance with federal and state laws as well as with its policies. For example, Public Health could accomplish this by directing its regional managers to spend more time at the district offices to enforce district office compliance with policies, or by directing its quality improvement section to review a random sample of investigations for quality and adherence to policy. Public Health should further establish a formal process to review periodically LA County's compliance with the terms of its contract, including compliance with the terms for investigating complaints.	Fully Implemented	Department of Public Health

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. To better protect the safety of residents in long-term health care facilities, Public Health should direct its district offices to comply with required time frames for initiating and closing completed investigations. If a district office lacks sufficient resources to initiate or close investigations within those time frames, Public Health should arrange to assist that district until such time that the district complies with the statute.	Fully Implemented	Department of Public Health
17. To make certain that it complies with statutory time frames for adjudicating appeals related to individuals, Public Health should establish a process to monitor its contractor's performance with contract terms.	Fully Implemented	Department of Public Health
18. To ensure that the Legislature promptly receives information about the timeliness of Public Health's complaint processing related to long-term health care facilities, Public Health should continue to include all of the statutorily required information in its annual report and submit it by the due date.	Fully Implemented	Department of Public Health

## Report Number 2013-125

## California Department of Health Care Services: Weaknesses in Its Medi-Cal Dental Program Limit Children's Access to Dental Care (December 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should establish criteria for assessing beneficiary utilization of dental services for the fee-for-service delivery system by May 2015.	Fully Implemented	Department of Health Care Services
2. To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should establish criteria for assessing provider participation in the program for the fee-for-service delivery system by May 2015.	Fully Implemented	Department of Health Care Services
3. To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should develop procedures for identifying periodically counties or other geographic areas in which the utilization rate for child beneficiaries and the participation rate for providers fail to meet applicable criteria for the fee-for-service delivery system by May 2015.	Fully Implemented	Department of Health Care Services
4. To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should immediately take action to resolve any declining trends identified during its monitoring efforts for the fee-for-service delivery system by May 2015.	Pending	Department of Health Care Services
5. To help increase the number of providers participating in the program's fee-for-service delivery system, Health Care Services should improve its identification and implementation of changes that minimize or simplify administrative processes for providers. These changes should include revising its processes pertaining to dental procedures that require radiographs or photographs.	Pending	Department of Health Care Services
6. To ensure that the influx of beneficiaries resulting from recent changes to federal and state law is able to access Medi-Cal's dental services, Health Care Services should continuously monitor beneficiary utilization, the number of beneficiaries having difficulty accessing appointments with providers, and the number of providers enrolling in and leaving the program.	Partially Implemented	Department of Health Care Services
7. To ensure that the influx of beneficiaries resulting from recent changes to federal and state law is able to access Medi-Cal's dental services, Health Care Services should immediately take action to resolve any declining trends identified during its monitoring efforts.	Pending	Department of Health Care Services
8. To ensure that Medi-Cal's child beneficiaries have reasonable access to dental services, Health Care Services should immediately resume performing its annual reimbursement rate reviews, as state law requires.	Fully Implemented	Department of Health Care Services
9. To make certain that access to dental services for child beneficiaries is comparable to the access available to the general population in the same geographic areas, Health Care Services should immediately adhere to its monitoring plan.	Partially Implemented	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To make certain that access to dental services for child beneficiaries is comparable to the access available to the general population in the same geographic areas, Health Care Services should also compare its results for measuring the percentage of child beneficiaries who had at least one dental visit in the past 12 months with the results from the three surveys conducted by other entities, as its state plan requires.	Pending	Department of Health Care Services
11. To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately direct Delta Dental to submit annually a plan that describes how it will remedy the dental access problems in the State's underserved areas and in California's border communities.	Fully Implemented	Department of Health Care Services
12. To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately direct Delta Dental to contract with one or more entities to provide additional dental services in either fixed facilities or mobile clinics in underserved areas, as its contract requires.	Fully Implemented	Department of Health Care Services
13. To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately increase Delta Dental's access to beneficiary address information and require it to contact beneficiaries residing in underserved areas directly to make them aware of the program's benefits.	Fully Implemented	Department of Health Care Services
14. To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately review Delta Dental's outreach activities and implement measurable objectives for its outreach unit.	Partially Implemented	Department of Health Care Services
15. To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately require Delta Dental to develop a dental outreach and education program and to submit an annual plan by the end of each calendar year.	Fully Implemented	Department of Health Care Services
16. To ensure that the State pays only for deliverables performed by Delta Dental under the terms of its contract, Health Care Services should immediately ensure that the financial manual and invoices are consistent with contract language.	Fully Implemented	Department of Health Care Services
17. To ensure that the State pays only for deliverables performed by Delta Dental under the terms of its contract, Health Care Services should immediately develop and implement tangible measurements to evaluate Delta Dental's performance of all functions under the contract.	Partially Implemented	Department of Health Care Services
18. To comply with state contracting laws that protect the State's interests, Health Care services should implement future contract amendments via appropriate channels, including state contracting procedures.	Fully Implemented	Department of Health Care Services
19. To ensure that it reports in the CMS-416 an accurate number of child beneficiaries who received specific types of dental services from the centers and clinics, Health Care Services should continue working on a solution to capture the details necessary to identify the specific dental services rendered.	Pending	Department of Health Care Services
20. To make certain that it meets the requirements of the new state law and that its performance measures are accurate, Health Care Services should establish the provider-to-beneficiary ratio statewide and by county as performance measures designed to evaluate access and availability of dental services and include this measure in its October 2015 report to the Legislature.	Will Not Implement	Department of Health Care Services
21. To make certain that it meets the requirements of the new state law and that its performance measures are accurate, Health Care Services should require that the provider field in its data systems be populated in all circumstances.	Pending	Department of Health Care Services
22. To make certain that it meets the requirements of the new state law and that its performance measures are accurate, Health Care Services should correct the erroneous data currently in its data warehouse and fix its process for transferring data from its mainframe to its data warehouse.	Fully Implemented	Department of Health Care Services
23. To ensure that Health Care Services and its fiscal intermediaries reimburse providers only for services rendered to eligible beneficiaries, Health Care Services should obtain Social Security's Death Master File and update monthly its beneficiary eligibility system with death information.	Pending	Department of Health Care Services
24. To ensure that Health Care Services and its fiscal intermediaries reimburse providers only for services rendered to eligible beneficiaries, Health Care Services should coordinate with the appropriate fiscal intermediaries to recover inappropriate payments made for services purportedly rendered to deceased beneficiaries, if necessary.	Pending	Department of Health Care Services

**Report Number 2014-113**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To increase its efforts to prevent and control diabetes, Public Health should develop a process for identifying and applying for federal funding opportunities, including routinely and proactively searching for grants. In addition, Public Health should seek funding for a grants specialist position to identify and apply for federal and other grants.	Will Not Implement	Department of Public Health
3. To ensure that staff responsible for diabetes prevention have adequate knowledge and skills, Public Health should ensure that it follows its recently developed process to track training related to diabetes prevention for all employees participating in this effort.	Fully Implemented	Department of Public Health

**Report Number 2014-118**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure timelier fee assessments, Developmental Services should hold regional centers accountable for providing the monthly placement reports and copies of information letters required by state regulations. To encourage compliance, Developmental Services should specify in its regional center contracts that noncompliant regional centers will pay financial penalties equal to the amount of revenue lost because of their inaction.	Pending	Department of Developmental Services
3. To make the initial parental fee assessment and annual redetermination processes more efficient, consistent, and transparent, Developmental Services should determine, as part of a formal policy development process, what family expenses it will consider in its determination of parental fees and what components of the fee determination require documentation from the parents. Developmental Services should then clearly communicate these policies to parents and staff and should reinforce these policies with regular management review of fee assessments.	Pending	Department of Developmental Services
4. To ensure that the parental fee remains appropriate for each family's current financial condition, Developmental Services should complete annual redeterminations as specified in state regulations. To this end, department management should create a mechanism to determine which accounts have not had a redetermination as required and should follow up with staff to ensure that this work is completed.	Pending	Department of Developmental Services
5. Developmental Services should eliminate inconsistency between the information it accepts and analyzes as part of the initial fee determination and the information it reviews as part of the appeals process. The fees reassessed during the appeals process should be based on an established fee schedule and should not be based solely on staff judgment. Any exceptions to the fee schedule should be justified in writing and approved by the program manager after thorough review.	Pending	Department of Developmental Services
6. To decrease the risk of determining appeal outcomes based on inaccurate information, Developmental Services should require management oversight and review of appeals. This review should include a review of appeal worksheets for accuracy prior to appeals committee meetings. To allow for a thorough management review, Developmental Services should require staff to note the reasoning for any adjustments to the calculation of parents' income and expenses.	Fully Implemented	Department of Developmental Services
7. Developmental Services should review its appeals process to ensure that it follows appeal-related timelines and follows a consistent process for accepting requests for appeals. As part of this effort, Developmental Services should add a date field to the appeals log for when parents are notified of the outcome of their appeal and should ensure that existing data fields contain accurate information.	Fully Implemented	Department of Developmental Services
8. Developmental Services should review and update its process for collecting on delinquent accounts. This update should include a revision to the policies and procedures manual, training for field agents, and regular management review to ensure consistent adherence to the policy. As part of the update, Developmental Services should clarify when to designate an account as uncollectible.	Pending	Department of Developmental Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. To improve its administration of the Parental Fee Program, Developmental Services should engage in a formal policy development process that results in an updated policies and procedures manual by July 2015. The manual should clarify management expectations, describe regular program manager oversight, and include summary-level performance indicators that must be shared with department officials on an ongoing basis.	Pending	Department of Developmental Services
10. To efficiently locate records pertinent to the Parental Fee Program, Developmental Services should update its retention policy and centralize all the files and records supporting the program.	Pending	Department of Developmental Services
11. To improve management oversight of the Parental Fee Program, Developmental Services should establish performance measures related to the timeliness of placement identification, information sharing with parents, a review of financial information and determination of fees, the billing of subsequent fees, and the completion of the appeals process when applicable.	Pending	Department of Developmental Services
12. To improve accuracy and identify areas for initial and ongoing staff training, Developmental Services should increase management oversight of the initial fee assessment and redetermination processes to include a review of assessment worksheets for accuracy, proper support, and timeliness.	Partially Implemented	Department of Developmental Services

**Report Number 2014-125**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To improve the consistency of its evaluations, by June 2015, State Hospitals should create a written policy that requires its evaluators to include the following documentation in their evaluations: detail describing all the documentation they reviewed, the offender's psychosexual history, a description of the risk assessment instruments the evaluator used and the scoring tool for those risk assessments, and acknowledgement of the evaluator's review of the DECS report.	Fully Implemented	Department of State Hospitals
3. To promote consistency and ensure that it provides sufficient guidance to evaluators, State Hospitals should update its assessment protocol by March 2016 to include more specific instructions on how to conduct evaluations, such as what assessment instruments evaluators may use and what documents they should consider. State Hospitals should also develop a timeline for periodically reviewing and making any necessary updates to the assessment protocol.	Pending	Department of State Hospitals
4. To comply with state law, State Hospitals should ensure that it follows the Administrative Procedures Act for future changes to its standardized assessment protocol.	Pending	Department of State Hospitals
5. To improve the consistency and completeness of its evaluations, by December 2015 State Hospitals should develop a plan for the formal, supervisory review of evaluations from a clinical perspective that balances the needs of the program with its resource limitations. For example, rather than attempting to review every evaluation, State Hospitals could focus its review efforts on those evaluations most at risk of error or inconsistency, such as those completed by the newest evaluators. If State Hospitals adopts this or a similar approach, it should review the remaining evaluations on a sample basis.	Fully Implemented	Department of State Hospitals
6. To ensure that it can demonstrate the consistency of Coalinga's supervisory review of annual evaluations, by June 2015 State Hospitals should direct Coalinga to formally adopt its checklist for reviewing evaluations, provide the checklist to its evaluators, and include the checklist as part of its evaluation process. State Hospitals should also develop a checklist for the evaluations it performs at its headquarters and adopt it as part of its standardized assessment protocol by March 2016.	Partially Implemented	Department of State Hospitals

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To ensure that it has the data necessary to inform its training and supervision of evaluators, State Hospitals should identify the most efficient means for obtaining the outcomes of past trials—at least the outcomes of three years of past trials if possible—and should ensure that it includes such outcomes in its database by March 2016. Additionally, by June 2015 it should establish procedures to ensure that it promptly collects the outcomes from current and future trials. Finally, State Hospitals should develop procedures to analyze these data at least twice annually to identify any trends in cases in which the courts' determinations differed from the State Hospitals evaluators' recommendations. It should use this information to provide training and supervision where they are most needed.	Fully Implemented	Department of State Hospitals
8. To ensure that its evaluators, including those at Coalinga, have the necessary training to conduct evaluations effectively and consistently, State Hospitals should complete development of comprehensive training plans for all evaluators by June 2015. In addition, by September 2015 State Hospitals should provide training on the Static-99R and dynamic risk assessment instruments to all new evaluators and those who have not yet received such training.	Fully Implemented	Department of State Hospitals
9. To ensure that all its evaluators are aware of changes in forensic evaluations, State Hospitals should provide annual training on updates to risk assessment instruments.	Fully Implemented	Department of State Hospitals
10. To demonstrate that it has provided appropriate training and that its employees have received that training, State Hospitals should immediately begin maintaining training records for all employee and contract evaluators.	Pending	Department of State Hospitals
11. By June 2015 State Hospitals should establish a formal process for consistently documenting that it has verified that the individuals it hires as evaluators meet all the minimum qualifications for their positions. State Hospitals should ensure that staff at Coalinga follow the process established in Coalinga's checklist for validating the past employment of employee and contract evaluators.	Partially Implemented	Department of State Hospitals
12. To improve its overall effectiveness, by December 2015 State Hospitals should further analyze the rate at which its evaluators determine that offenders meet the SVP criteria. State Hospitals should focus its analysis on evaluations it performed in the most recent three fiscal years because of its transition to civil service evaluators and because of changes to state law have affected how it performs evaluations. State Hospitals should establish what the normal acceptable ranges for commitment rates are and work with evaluators whose findings consistently fall outside that range.	Pending	Department of State Hospitals
13. To ensure that it has an effective method for assigning and tracking evaluator workload, by September 2015 State Hospitals should establish a formal process for periodically reviewing its workload matrices. This process should include periodic assessments of how well evaluators are meeting their workload expectations and whether adjustments would be appropriate. The process should also include input from key stakeholders.	Pending	Department of State Hospitals
14. State Hospitals should explore options for tracking the time evaluators spend on each evaluation activity to increase the accuracy of the workload equivalencies it includes in its workload matrix and should implement such options by September 2015.	Pending	Department of State Hospitals
15. To reduce its backlog of annual evaluations at Coalinga and reduce the number of days these evaluations are overdue, State Hospitals should immediately determine the extent to which its evaluators who work at headquarters can provide assistance to Coalinga. To ensure that it does not develop a similar backlog in the future, State Hospitals should continue its efforts to hire evaluators sufficient to meet its workload.	Fully Implemented	Department of State Hospitals

**Report Number 2015-608**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13. Social Services should identify a key resource, such as a unit, by June 30, 2015, to track the results of workforce and succession planning activities across the department to ensure that the workforce and succession planning activities it implements are monitored on a departmentwide level.	Partially Implemented	Department of Social Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15. Social Services should update its existing workforce and succession plan by December 2015 to ensure that the department is adequately prepared for the retirement of a significant number of its highly experienced employees. The plan should include current best practices that meet its organizational needs.	Pending	Department of Social Services

**Report Number 2015-503**

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

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should perform more diligent reviews of the counties' investigation activity reports to verify the accuracy of the information submitted.	Pending	Department of Social Services
15. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should provide counties with feedback on how to correct and prevent errors that it detects while reviewing counties' investigation activity reports.	Pending	Department of Social Services
16. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should incorporate the upcoming federal changes to the revision of its instructions for completing the counties' investigation activity reports. In the interim, Social Services should issue clarifications for the most common errors Social Services observes counties make in reporting their investigation activities.	Pending	Department of Social Services

**Report Number 2014-134**

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

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

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

**Report Number 2014-131**

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

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

**Report Number 2015-502**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that all address matches of registered sex offenders who potentially reside or work at a licensed facility or foster home are reviewed, Social Services should improve its current mechanism to track and monitor the outcome of each address match it identifies. This tracking mechanism should allow Social Services to actively reconcile the number of address matches identified through its address comparison process with the number of completed reviews to ensure that it appropriately reviewed each match. Further, this mechanism should allow Social Services to actively monitor and report on any overdue investigations.	Partially Implemented	Department of Social Services
2. To improve its review process, preserve institutional knowledge, and ensure that staff consistently implement registered sex offender reviews in the future, Social Services should better document its review procedures. For example, Social Services should better document its screening process by identifying criteria for determining when it is acceptable to exclude certain address matches from investigation and by providing an explanation to staff for why it is safe to remove address matches that meet those particular criteria.	Partially Implemented	Department of Social Services
3. To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendation we previously made in our 2011 audit. Specifically, Social Services should continue working to revise its rates paid to foster family agencies and to ensure that it has reasonable support to justify each rate component, especially the administrative fee it currently pays these agencies.	Partially Implemented	Department of Social Services
4. To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendation we previously made in our 2011 audit. Specifically, Social Services should require counties to give licensed foster homes a higher priority than foster family agencies for children that do not have identified treatment needs.	No Action Taken	Department of Social Services
5. To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendation we previously made in our 2011 audit. Specifically, Social Services should require counties to prepare a detailed justification for any child placed with a foster family agency.	Partially Implemented	Department of Social Services

**Report Number 2014-130**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that Health Care Services provides claiming units with reasonable opportunities to address concerns with its decisions or actions, it should, within three months, begin preparing regulations to establish and implement a formal appeals process that allows claiming units to directly appeal Health Care Services' decisions.	Will Not Implement	Department of Health Care Services
2. To ensure that Health Care Services provides claiming units with reasonable opportunities to address concerns with its decisions or actions, it should, within three months, inform all stakeholders, including claiming units, of the existence of this appeals process.	Will Not Implement	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>3. Until the Legislature implements our recommendation in Chapter 2, Health Care Services should immediately resolve weaknesses in its oversight of local educational consortia and local governmental agencies to ensure that these entities sufficiently meet their responsibilities under the administrative activities program and meet the terms of their contracts with Health Care Services. Actions to take include updating its site review and desk review procedures to include the following steps:</p> <ul style="list-style-type: none"> <li>• A risk-based approach to selecting entities for review.</li> <li>• Verification that local educational consortia and local governmental agencies are adequately meeting the oversight and administrative responsibilities described in their contracts with Health Care Services.</li> <li>• Verification that contracts between local educational consortia or local governmental agencies and their claiming units do not include provisions that could result in disallowed costs, such as allowing Health Care Services' participation fee to be included in the claim calculations.</li> <li>• Examination of local educational consortia and local governmental agencies' records to ensure that: <ul style="list-style-type: none"> <li>– Costs they claim for federal reimbursement are necessary and reasonable.</li> <li>– The entities are not inappropriately earning a profit based on the fees they collect from claiming units.</li> <li>– The coding performed by local educational consortia that charge claiming units a percentage of their federal reimbursement is reasonably accurate.</li> </ul> </li> </ul>	Pending	Department of Health Care Services
<p>4. Until the Legislature implements our recommendation in Chapter 2, Health Care Services should immediately resolve weaknesses in its oversight of local educational consortia and local governmental agencies to ensure that these entities sufficiently meet their responsibilities under the administrative activities program and meet the terms of their contracts with Health Care Services. Actions to take include completing the oversight reviews for at least three high-risk local educational consortia or local governmental agencies by December 31, 2015, and post the results to its website.</p>	Pending	Department of Health Care Services
<p>5. Until the Legislature implements our recommendation in Chapter 2, Health Care Services should immediately resolve weaknesses in its oversight of local educational consortia and local governmental agencies to ensure that these entities sufficiently meet their responsibilities under the administrative activities program and meet the terms of their contracts with Health Care Services. Actions to take include completing the oversight reviews for any remaining high-risk local educational consortia or local governmental agencies by June 30, 2016, and post the results to its website.</p>	Pending	Department of Health Care Services
<p>6. To minimize the risk that claiming units could include unallowable costs when calculating their reimbursement claims, Health Care Services should immediately encourage the Los Angeles County Office of Education (Los Angeles County) to revise its contracts with its claiming units to make it clear that claiming units cannot include Health Care Services' participation fee as part of their claims.</p>	Pending	Department of Health Care Services
<p>7. To minimize the risk that claiming units could include unallowable costs when calculating their reimbursement claims, Health Care Services should immediately, for all claims that Los Angeles County received and reviewed under its current contracts with its claiming units, do the following:</p> <ul style="list-style-type: none"> <li>• Determine whether claiming units included Health Care Services' participation fee as part of the claim.</li> <li>• For those paid claims that included the participation fee, identify the inappropriate amount paid and take appropriate action to resolve the improper payment including, if necessary, obtaining a refund from the claiming unit.</li> <li>• For those submitted claims that have not yet been paid, instruct Los Angeles County to reject the claims and direct claiming units to revise the claims to omit Health Care Services' participation fee.</li> </ul>	Pending	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. To minimize the risk that claiming units could include unallowable costs when calculating their reimbursement claims, Health Care Services should immediately remind all local educational consortia and local governmental agencies that contracts with their claiming units should prohibit claiming units from seeking federal reimbursement of Health Care Services' participation fee.	Pending	Department of Health Care Services
10. To streamline the organizational structure of its administrative activities program and to improve the program's cost-effectiveness, Health Care Services should take the following actions to implement a single statewide quarterly random moment time survey: Develop and implement a plan to take over responsibility for conducting quarterly time surveys and performing related activities as soon as reasonably possible.	Pending	Department of Health Care Services
11. To streamline the organizational structure of its administrative activities program and to improve the program's cost-effectiveness, Health Care Services should take the following actions to implement a single statewide quarterly random moment time survey: Develop and issue a request for proposals to identify a responsible vendor to assist in implementing a statewide quarterly random moment time survey.	Pending	Department of Health Care Services
12. To streamline the organizational structure of its administrative activities program and to improve the program's cost-effectiveness, Health Care Services should take the following actions to implement a single statewide quarterly random moment time survey: Draft revisions to regulations as appropriate and to applicable documents, including the manual, oversight strategies and plans, and policy and procedure letters.	Pending	Department of Health Care Services
13. In addition to our earlier recommendation related to streamlining, Health Care Services should take the following actions: To the extent that local educational consortia and local governmental agencies are no longer involved in the administrative activities program, Health Care Services should develop and issue a standard contract for claiming units to sign to participate in the program.	Will Not Implement	Department of Health Care Services
14. In addition to our earlier recommendation related to streamlining, Health Care Services should take the following actions: To improve the clarity and effectiveness of program communication, Health Care Services should develop and implement feedback mechanisms, such as organized, up-to-date FAQs, through which it can communicate results of relevant inquiries to other stakeholders, including claiming units.	Pending	Department of Health Care Services
15. In addition to our earlier recommendation related to streamlining, Health Care Services should take the following actions: To better ensure that some claiming units do not unfairly disadvantage other claiming units in the receipt of interim payments, Health Care Services should explore opportunities to expedite consistent, timely, and fair interim payments to those claiming units with no overpayments. Health Care Services should involve representatives of local educational consortia, local governmental agencies, and claiming units in these efforts and communicate the results to interested stakeholders.	Pending	Department of Health Care Services
17. To better maximize federal reimbursements for the administrative activities program, Health Care Services should complete the following actions within six months: Develop and implement a method to oversee and track the outreach efforts that local educational consortia and local governmental agencies use for ensuring that nonparticipating claiming units understand the benefits and consider participating in the administrative activities program.	Pending	Department of Health Care Services
18. To better maximize federal reimbursements for the administrative activities program, Health Care Services should complete the following actions within six months: Revise reimbursement rates to authorize claiming units to claim the 75 percent reimbursement rate for translation activities as federal law allows.	Pending	Department of Health Care Services
19. To better maximize federal reimbursements for the administrative activities program, Health Care Services should complete the following actions within six months: Determine the extent to which claiming units can claim the unreimbursed difference between the 50 percent and 75 percent reimbursement rates for translation activities for past years and inform claiming units of the findings.	Pending	Department of Health Care Services
20. Should the Legislature implement our recommendation in Chapter 2 to allow claiming units to submit reimbursement claims directly to it, Health Care Services should develop and implement its own outreach functions to ensure that claiming units that do not currently participate understand the benefits and consider participating in the administrative activities program.	Pending	Department of Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
21. To provide the public with the ability to participate fully in developing the rules governing the administrative activities program, Health Care Services should, in accordance with California's Administrative Procedure Act, immediately develop and adopt the regulations cited in the four subdivisions of Section 14132.47 of the California Welfare and Institutions Code.	Pending	Department of Health Care Services
22. To ensure that it provides stakeholders with timely access to information regarding the billing option program, Health Care Services should do the following: Issue the required annual report covering April 2012 to May 2013 immediately.	Pending	Department of Health Care Services
23. To ensure that it provides stakeholders with timely access to information regarding the billing option program, Health Care Services should do the following: Issue the required annual report covering April 2013 to May 2015 by December 2015 as promised.	Pending	Department of Health Care Services
24. To ensure that it provides stakeholders with timely access to information regarding the billing option program, Health Care Services should do the following: Issue all future annual reports in a timely manner.	Pending	Department of Health Care Services

**Report Number 2015-507**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. While the Legislature considers eliminating the requirement that labs obtain state-issued licenses or registrations and receive oversight from Laboratory Services, Laboratory Services should begin taking action to address its deficiencies by developing a corrective action plan by December 31, 2015. The corrective action plan should address its plans for implementing the recommendations from our 2008 audit and from this follow-up audit. For each item in its corrective action plan, Laboratory Services should identify the individuals responsible for ensuring it takes the corrective action, the resources it needs to carry out the corrective action, and the time frame in which it expects to successfully complete the corrective action.	Pending	Department of Public Health
2. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should inspect all in-state and out-of-state labs it has licensed every two years.	Pending	Department of Public Health
3. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should develop and implement proficiency testing policy and procedures for ensuring that it can promptly identify out-of-state labs that fail proficiency testing.	Pending	Department of Public Health
4. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should improve its complaints policy and procedures to ensure that it either investigates allegations promptly or clearly documents its management's rationale for not investigating. It should also establish clear expectations for when staff must visit a lab to verify successful corrective action.	Pending	Department of Public Health
5. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should dedicate multiple staff to sanctioning efforts and update its sanctioning policy and procedures, including identifying steps to ensure that labs adhere to sanctions and that it collect civil money penalties. In addition, it should develop a single sanctions tracking system that multiple managers can monitor and that will allow it to periodically reconcile the monetary penalties it receives with Public Health's accounting records.	Pending	Department of Public Health
6. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should work with Public Health's budget section and other appropriate parties in developing a process to assess the budget act annually and to adjust its fees accordingly. The process should include its management's review and approval of fee adjustments before it posts those fees publicly.	Pending	Department of Public Health
7. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should maximize the opportunity to partner with accreditation organizations by developing an accreditation organization program and issuing an All Clinical Laboratories Letter detailing the program's components. In addition, it should consult with legal counsel and draft an agreement outlining the role and the responsibilities that Laboratory Services and the accreditation organizations will assume.	Pending	Department of Public Health

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should address staffing issues by preparing and resubmitting to Public Health a recruitment and retention proposal, developing a succession plan, and taking necessary steps to implement its planned reorganization.	Pending	Department of Public Health
9. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should ensure that its information technology data systems have necessary safeguards, contain accurate and complete data, and support its program needs.	Pending	Department of Public Health
10. To ensure it can provide effective oversight of labs as state law requires, Laboratory Services should update and develop its regulations as necessary to ensure consistency with existing state law.	Pending	Department of Public Health

**Report Number 2015-042**

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

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

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

### Report Number 2013-115

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To ensure that the State enforces its contractual right to obtain a complete copy of its procurement data, General Services should take all necessary steps to ensure that it can extract a reliable copy of all of the State's procurement data from BidSync so that the data can be used and analyzed to the State's benefit. These steps should include testing that the data it obtains from BidSync is accurate and complete, and it should be completed before the end of the contract term with BidSync, in September 2014.	Fully Implemented	Department of General Services
7. To help ensure that General Services does not incorrectly report businesses that are not certified DVBEs, it should verify, at least on a sample basis for high-value contracts, the certification status of the DVBE firms before submitting their DVBE activity reports to General Services.	Fully Implemented	Department of General Services
9. To ensure CalVet is meeting its statutory obligations for the DVBE program, it should do the following: <ul style="list-style-type: none"> <li>Develop stronger measures to evaluate its outreach efforts, including formalizing a process for interpreting and evaluating its DVBE survey results and incorporating those results into its DVBE outreach plan.</li> <li>Work more closely with awarding departments to help them meet the DVBE participation goals and promote DVBE contracting opportunities, including taking a more active role in leading DVBE advocate meetings and posting formal minutes from those meetings on its public website.</li> </ul>	Fully Implemented	Department of Veterans Affairs

### Report Number 2013-116

*Los Angeles County: Lacking a Comprehensive Assessment of Its Trauma System, It Cannot Demonstrate That It Has Used Measure B Funds to Address the Most Pressing Trauma Needs (February 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To determine whether its trauma system is appropriately designed and serving the needs of residents in underserved areas and the needs of the most at-risk populations, the board should use Measure B funds to engage the College of Surgeons by July 2014 to perform a comprehensive assessment of the trauma system and then make the results available to the public. To the extent the assessment identifies weaknesses in the trauma system, the board should develop strategies to address those weaknesses where feasible. Specifically, the board should ask the College of Surgeons to assist the board in better defining and identifying underserved areas in Los Angeles.	Will Not Implement	Los Angeles County
2. To determine whether its trauma system is appropriately designed and serving the needs of residents in underserved areas and the needs of the most at-risk populations, the board should use Measure B funds to engage the College of Surgeons by July 2014 to perform a comprehensive assessment of the trauma system and then make the results available to the public. To the extent the assessment identifies weaknesses in the trauma system, the board should develop strategies to address those weaknesses where feasible. Specifically, the board should ask the College of Surgeons to review Measure B allocations to ensure that they are addressing the most pressing needs of at-risk populations in Los Angeles.	Will Not Implement	Los Angeles County
3. To determine whether its trauma system is appropriately designed and serving the needs of residents in underserved areas and the needs of the most at-risk populations, the board should use Measure B funds to engage the College of Surgeons by July 2014 to perform a comprehensive assessment of the trauma system and then make the results available to the public. To the extent the assessment identifies weaknesses in the trauma system, the board should develop strategies to address those weaknesses where feasible. Specifically, the board should ask the College of Surgeons to assess the adequacy of helicopter services it provides in underserved areas.	Will Not Implement	Los Angeles County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To determine whether its trauma system is appropriately designed and serving the needs of residents in underserved areas and the needs of the most at-risk populations, the board should use Measure B funds to engage the College of Surgeons by July 2014 to perform a comprehensive assessment of the trauma system and then make the results available to the public. To the extent the assessment identifies weaknesses in the trauma system, the board should develop strategies to address those weaknesses where feasible. Specifically, the board should ask the College of Surgeons to analyze how EMS might better use the data it collects to evaluate, improve, and report continuously on its trauma system.	Will Not Implement	Los Angeles County
5. To ensure that it allocates Measure B funds to address the most significant needs of residents within its trauma system, the board should reinstate a Measure B oversight committee, with participation from departments with trauma, EMS, and bioterrorism preparedness expertise, as well as representatives of the public. The oversight committee should review trauma system and other county needs annually and advise the board on Measure B expenditures. As part of its responsibilities, the oversight committee should reevaluate the Measure B allocation approach, taking into consideration the results of Los Angeles's comprehensive assessment and the effects of the Act, and issue a report on its findings no later than December 2015.	Not Fully Implemented	Los Angeles County
6. To determine the adequacy and effectiveness of the helicopter services it provides to residents of underserved areas who suffer a trauma injury, EMS should collect, assess, and report accurate and complete data on the number of flights flown by each provider to underserved areas	Fully Implemented	Los Angeles Emergency Medical Services Agency
7. To determine the adequacy and effectiveness of the helicopter services it provides to residents of underserved areas who suffer a trauma injury, EMS should collect, assess, and report accurate and complete data on the time it takes to transport each trauma patient.	Fully Implemented	Los Angeles Emergency Medical Services Agency
8. To determine the adequacy and effectiveness of the helicopter services it provides to residents of underserved areas who suffer a trauma injury, EMS should collect, assess, and report accurate and complete data on the health outcomes, including mortality rates, of trauma patients transported by helicopter.	Fully Implemented	Los Angeles Emergency Medical Services Agency
9. To determine the adequacy and effectiveness of the helicopter services it provides to residents of underserved areas who suffer a trauma injury, EMS should collect, assess, and report accurate and complete data on the number of cancelled flights in each of these underserved areas, including the method of transportation used instead of helicopters and the transport times and trauma patient outcomes.	Not Fully Implemented	Los Angeles Emergency Medical Services Agency
10. Los Angeles should undertake formal discussions with Pomona's management regarding the hospital becoming a trauma center. In doing so, Los Angeles should analyze its current Measure B allocations to determine whether financial opportunities exist that would meet the needs of Pomona and present the resulting analysis to Pomona. Further, it should document its efforts and the resulting outcome so that both voters and taxpayers are aware of the diligence Los Angeles has undertaken in fulfilling the spirit of Measure B.	Fully Implemented	Los Angeles County

**Report Number 2013-036***Indian Gaming Special Distribution Fund: Counties' Benefit Committees Did Not Always Comply With State Laws for Distribution Fund Grants (March 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To comply with state law, benefit committees should ensure that they obtain sufficient documentation from grant applicants to demonstrate that proposed projects mitigate casino impacts. If applicable, that documentation should demonstrate that the requested funding represents a correct proportionate share of the costs attributable to casino impacts.	Fully Implemented	Butte County
2. To comply with state law, benefit committees should ensure that they obtain sufficient documentation from grant applicants to demonstrate that proposed projects mitigate casino impacts. If applicable, that documentation should demonstrate that the requested funding represents a correct proportionate share of the costs attributable to casino impacts.	Fully Implemented	Lake County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To comply with state law, benefit committees should ensure that they obtain sufficient documentation from grant applicants to demonstrate that proposed projects mitigate casino impacts. If applicable, that documentation should demonstrate that the requested funding represents a correct proportionate share of the costs attributable to casino impacts.	Not Fully Implemented	Riverside County
4. To comply with state law, benefit committees should ensure that they obtain sufficient documentation from grant applicants to demonstrate that proposed projects mitigate casino impacts. If applicable, that documentation should demonstrate that the requested funding represents a correct proportionate share of the costs attributable to casino impacts.	Fully Implemented	San Diego County
5. To comply with state law requiring it to reserve specific amounts of mitigation grant funds for local government jurisdictions based on the nexus criteria, Butte County's benefit committee should correct its determinations of nexus eligibility for the city of Oroville and Butte County by April 1, 2014.	Fully Implemented	Butte County
6. To comply with state law requiring it to reserve specific amounts of mitigation grant funds for local government jurisdictions based on the nexus criteria, Butte County's benefit committee should ensure that it awards the minimum funding to each local government jurisdiction consistent with its corrected nexus determinations.	Fully Implemented	Butte County
7. To ensure that grant recipients comply with state law concerning interest earned on mitigation grant funds, by June 2014, the Butte County benefit committee should establish policies and procedures to verify that grant recipients have placed grant awards in interest-bearing accounts, and that the interest is spent only on activities that mitigate the effect of tribal gaming on local jurisdictions.	Partially Implemented	Butte County
8. To ensure that grant recipients comply with state law concerning interest earned on mitigation grant funds, by June 2014, the Lake County benefit committee should establish policies and procedures to verify that grant recipients have placed grant awards in interest-bearing accounts, and that the interest is spent only on activities that mitigate the effect of tribal gaming on local jurisdictions.	Fully Implemented	Lake County
9. If San Diego County's benefit committee believes that its processes for distributing grant funds are vital to its effective management of distribution fund grants, it should seek legislative authority to change its process. Otherwise, San Diego County's benefit committee should instruct the Controller to release funds directly to the grant recipients.	Resolved	San Diego County
10. If San Diego County's benefit committee believes that its processes for distributing grant funds are vital to its effective management of distribution fund grants, it should seek legislative authority to change its process. Otherwise, San Diego County's benefit committee should refrain from placing limits on the time available for grant recipients to spend the grant funds.	Will Not Implement	San Diego County
11. Unless the Legislature amends current state law, the Controller should implement its plan to modify its distribution process beginning with fiscal year 2013-14 grant awards to ensure that it only releases funds directly to approved grant recipients.	Fully Implemented	State Controller's Office
12. To comply with the reform act, Butte County's benefit committee should adopt a conflict code and appoint a filing officer by June 2014.	Fully Implemented	Butte County
13. To comply with the reform act, the benefit committee for San Diego County should review staff responsibilities to ensure that its conflict code requires all individuals participating in or making governmental decisions to disclose reportable interests.	Fully Implemented	San Diego County
14. To comply with the reform act, the benefit committee for Riverside County should review staff responsibilities to ensure that its conflict code requires all individuals participating in or making governmental decisions to disclose reportable interests.	Fully Implemented	Riverside County
15. To comply with the reform act, the benefit committee for Butte County once it adopts its conflict code, should review staff responsibilities to ensure that its conflict code requires all individuals participating in or making governmental decisions to disclose reportable interests.	Fully Implemented	Butte County
16. To ensure that the benefit committee members and other designated individuals comply with reform act requirements for filing statements of economic interests, the Lake, Riverside, and San Diego benefit committees filing officers should attend FPCC training so that they are aware of and meet the responsibilities under the reform act. Each of these benefit committees should also establish a formal process for ensuring that all required individuals file statements of economic interests. For example, each benefit committees filing officer should notify designated individuals of their responsibility to submit statements of economic interests and follow up with those who fail to file.	Resolved	Lake County

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17. To ensure that the benefit committee members and other designated individuals comply with reform act requirements for filing statements of economic interests, the Lake, Riverside, and San Diego benefit committees filing officers should attend FPPC training so that they are aware of and meet the responsibilities under the reform act. Each of these benefit committees should also establish a formal process for ensuring that all required individuals file statements of economic interests. For example, each benefit committees filing officer should notify designated individuals of their responsibility to submit statements of economic interests and follow up with those who fail to file.	Fully Implemented	Riverside County
18. To ensure that the benefit committee members and other designated individuals comply with reform act requirements for filing statements of economic interests, the Lake, Riverside, and San Diego benefit committees filing officers should attend FPPC training so that they are aware of and meet the responsibilities under the reform act. Each of these benefit committees should also establish a formal process for ensuring that all required individuals file statements of economic interests. For example, each benefit committees filing officer should notify designated individuals of their responsibility to submit statements of economic interests and follow up with those who fail to file.	Fully Implemented	San Diego County
19. To ensure that the benefit committee members and other designated individuals comply with reform act requirements for filing statements of economic interests, after Butte County's benefit committee has appointed a filing officer, the filing officer should attend FPPC training and notify designated individuals of their responsibility to submit statements of economic interests and follow up with those who fail to file.	Not Fully Implemented	Butte County

**Report Number I2012-0651**

*Employment Development Department: It Failed to Participate in a Federal Program That Would Have Allowed the State to Collect Hundreds of Millions of Dollars (March 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the Employment Development Department (EDD) collects unemployment benefit overpayments as efficiently as possible, we recommend EDD adhere to its commitment to begin participating in the Offset Program to collect unemployment benefit overpayments by no later than September 2014.	Fully Implemented	Employment Development Department
2. To ensure that EDD efficiently acts to take advantage of future collection opportunities, we recommend EDD institute a routine process for staff to identify and thoroughly evaluate ideas for improving EDD's ability to collect overpayments. This process should require staff to bring promising ideas to the attention of EDD's senior management so it can give prompt, informed consideration to these ideas and document in detail the substance of that consideration.	Fully Implemented	Employment Development Department

**Report Number 2014-502**

*Commission on Teacher Credentialing—Follow-Up Review (July 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To make its strategic plan a more useful mechanism for accomplishing its mission, the Commission on Teacher Credentialing (commission) should ensure that, to the extent possible, its goals have timelines and are measurable. Further, the commission should periodically evaluate and track its progress towards meeting its goals.	Not Fully Implemented	California Commission on Teacher Credentialing

**Report Number 2012-603**

**High Risk Update: State Agencies Credited Their Employees With Millions of Dollars Worth of Unearned Leave (August 2013)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To correct the erroneous leave hours we identified in our analysis of the leave accounting system, CalHR should work with the state controller and all state agencies under its authority to review and take the appropriate action to correct the errors by January 2015.	Partially Implemented	California Department of Human Resources
4. To improve the accuracy of information in the leave accounting system and to ensure that agencies do not improperly credit employees with leave in the future, the state controller should implement additional controls by June 2015 to prevent the leave accounting system from processing the types of inappropriate transactions we identified in our statewide electronic analysis. For example, it could develop cost-effective controls in the leave accounting system that would prevent employees from receiving annual leave and sick leave during the same pay period.	Pending	State Controller's Office
5. To improve the accuracy of information in the leave accounting system and to ensure that agencies do not improperly credit employees with leave in the future, the state controller should work with CalHR to establish procedures by January 2015 for updating the criteria it uses to produce the monthly exception reports to ensure that the criteria reflect changes in state law and collective bargaining agreements.	Fully Implemented	State Controller's Office
6. To improve the accuracy of information in the leave accounting system and to ensure that agencies do not improperly credit employees with leave in the future, the state controller should, using criteria provided by CalHR, develop monthly exception reports that identify transactions in the leave accounting system that are inconsistent with the guidelines established in state law and collective bargaining agreements, such as instances in which state employees receive too many personal holidays or too much holiday credit. By June 2015 begin providing each state agency's human resources management with the transactions identified in the exception reports for review and correction as necessary.	Partially Implemented	State Controller's Office
7. To ensure that state agencies accurately account for their employees' leave benefits, CalHR should consolidate guidance by January 2015 regarding the appropriate amount of leave that employees should earn each month and provide these criteria to the state controller to use when developing the leave accounting system's monthly exception reports. For example, CalHR should identify the number of holiday credit hours that employees covered by each collective bargaining agreement should receive for working on a holiday.	Partially Implemented	California Department of Human Resources
8. To ensure that state agencies accurately account for their employees' leave benefits, CalHR should work with the state controller to establish procedures by January 2015 for updating these criteria to ensure that they reflect any changes to state law and collective bargaining agreements.	Fully Implemented	California Department of Human Resources
9. To ensure that state agencies accurately account for their employees' leave benefits, CalHR should establish general parameters and issue guidance to state agencies by January 2015 on how to account for the leave hours for employees who work alternate work week schedules.	Partially Implemented	California Department of Human Resources
10. To ensure that state agencies accurately account for their employees' leave benefits, CalHR should provide additional guidance to state agencies by January 2015 on interpreting the provisions of the collective bargaining agreements related to the amount of leave employees earn. For example, CalHR could provide scenarios to illustrate the number of hours employees should earn under common circumstances.	Partially Implemented	California Department of Human Resources
11. To ensure that state agencies accurately account for their employees' leave benefits, CalHR should develop guidelines and procedures by January 2015 requiring all state agencies to review information their personnel specialists enter into any system they use to track state employees' leave transactions.	Fully Implemented	California Department of Human Resources
12. By February 2015 the Science Center should provide training to all of its personnel specialists on the number of leave hours employees earn for working on holidays.	Pending	California Science Center
13. By February 2015 Chula Vista should provide training to all of its personnel specialists regarding the number of leave hours employees earn for working on holidays that fall on Saturdays.	Fully Implemented	Department of Veterans Affairs

## Report Number 2014-101

*Employment Development Department: It Should Improve Its Efforts to Minimize Avoidable Appeals of Its Eligibility Determinations for Unemployment Insurance Benefits (August 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To reduce the number of its determinations that are overturned on appeal, EDD should do the following:</p> <ul style="list-style-type: none"> <li>Change its practices to ensure that its staff have demonstrated that all of the necessary elements of a false statement are adequately supported before disqualifying a claimant for unemployment benefits or assessing the associated 30 percent penalty on that basis. To do this, EDD should update its training to further emphasize that false statement disqualifications, especially those resulting from wage reporting, cannot be assessed unless all of the elements are present.</li> </ul>	Partially Implemented	Employment Development Department
<p>2. To reduce the number of its determinations that are overturned on appeal, EDD should do the following:</p> <ul style="list-style-type: none"> <li>Revise its website and the materials that accompany the continued claim form to provide specific instructions to claimants on how to avoid common errors that claimants make when reporting wages, such as the error of applying some wages to the incorrect week.</li> </ul>	Partially Implemented	Employment Development Department
<p>3. To reduce the number of its determinations that are overturned on appeal, EDD should do the following:</p> <ul style="list-style-type: none"> <li>Ensure that determinations are supported by sufficient fact-finding and relevant evidence by increasing the required number of attempts to reach claimants by telephone or e-mail before making a determination.</li> </ul>	Partially Implemented	Employment Development Department
<p>4. To reduce the number of its determinations that are overturned on appeal, EDD should do the following:</p> <ul style="list-style-type: none"> <li>Allow additional time for its staff to process misconduct and voluntary quit cases, especially those that involve complex issues.</li> </ul>	Partially Implemented	Employment Development Department
<p>5. To reduce the number of its determinations that are overturned on appeal, EDD should do the following:</p> <ul style="list-style-type: none"> <li>Improve its due diligence during the pre-appeal review process by considering appellants' reasons for appealing and by contacting claimants, employers, and third parties when necessary to obtain clarifying information that could result in a redetermination, which could eliminate or reduce the need for some appeals board hearings.</li> </ul>	Partially Implemented	Employment Development Department
<p>6. To reduce the number of its determinations that are overturned on appeal, EDD should do the following:</p> <ul style="list-style-type: none"> <li>Identify those types of appeals that could be most influenced by EDD staff attendance at the appeal hearing, and analyze the feasibility and cost-effectiveness of participating in those hearings by telephone.</li> </ul>	Pending	Employment Development Department
<p>7. To identify and correct any policies, procedures, or practices that may be contributing to avoidable appeals filed by claimants and employers and thereby provide eligible claimants with unemployment benefits in a timelier manner, the California Unemployment Insurance Appeals Board (appeals board) should do the following: By September 1, 2014, the appeals board should aggregate the outcomes associated with each of the legal issues that it decided during fiscal year 2013-14 and make these data available to EDD. In addition, the appeals board should make similar updated data available to EDD twice each fiscal year thereafter.</p>	Fully Implemented	California Unemployment Insurance Appeals Board
<p>8. To identify and correct any policies, procedures, or practices that may be contributing to avoidable appeals filed by claimants and employers and thereby provide eligible claimants with unemployment benefits in a timelier manner, EDD should do the following: Using the appeals board's data from fiscal year 2013-14, EDD should identify the legal issues where its determinations are most frequently overturned, and use these data to establish initial performance benchmarks. In addition, similar to the review that EDD's audit and evaluation division performed in 2012, EDD should then review samples of its overturned determinations and the appeals board's decisions on these legal issues to identify trends in the reasons the appeals board cites for overturning EDD's determinations. With this information, EDD should review its policies, practices, and training related to these areas and identify and correct any weaknesses that may be contributing to the overturning of determinations. By April 1, 2015, EDD should report to the Legislature on the results of this review and any changes it plans to make to its determination process.</p>	Pending	Employment Development Department

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. To identify and correct any policies, procedures, or practices that may be contributing to avoidable appeals filed by claimants and employers and thereby provide eligible claimants with unemployment benefits in a timelier manner, EDD should do the following: EDD should use the semiannual data that the appeals board provides to determine whether changes it makes to its process result in reductions in the percentage of its determinations that are overturned on appeal. EDD should also review these data to determine whether it needs to conduct additional reviews of its determinations and the appeals board's decisions to identify additional opportunities for improvement. EDD should report these results to the Legislature annually.	Pending	Employment Development Department

**Report Number 2014-037**

*California Department of Housing and Community Development: Inconsistent Oversight Has Resulted in the Questionable Use of Some Housing Bond Funds (September 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it complies with state law and maximizes the public benefits that its Multifamily Housing Program provides, the Department of Housing and Community Development (HCD) should improve its current process for awarding program funds by documenting its determination of whether the costs of proposed projects are reasonable.	Fully Implemented	Department of Housing and Community Development
2. To assure the validity of its cost comparisons for Multifamily Housing Program projects, HCD should update the program's historical cost spreadsheet either by including projects it approved after 2008 or by adjusting the tool's data to current values.	Fully Implemented	Department of Housing and Community Development
3. To meet the intent of the law, HCD should approve and fund for the Catalyst Program only those projects that more directly create or preserve housing opportunities.	Fully Implemented	Department of Housing and Community Development
4. To ensure that recipients submit required status reports, HCD should develop and implement strategies to better monitor these reports. For example, program management could review a central tracking spreadsheet of status reports and require staff to contact recipients that are not complying with requirements. After six months of noncompliance by recipients, HCD should send warning letters to recipients that it will cancel their awards or seek remedies and require them to return the funds unless they provide the reports within a specified time.	Fully Implemented	Department of Housing and Community Development
5. To ensure that recipients spend advanced funds promptly and that it has accurate information about outstanding advanced funds, HCD should do the following: <ul style="list-style-type: none"> <li>Develop a thorough process to track and monitor advances.</li> </ul>	Fully Implemented	Department of Housing and Community Development
6. To ensure that recipients spend advanced funds promptly and that it has accurate information about outstanding advanced funds, HCD should do the following: <ul style="list-style-type: none"> <li>Reconcile advances to its accounting records and to documentation to ensure that recipients spent all of the advances that HCD made previously.</li> </ul>	Fully Implemented	Department of Housing and Community Development
7. To ensure that recipients spend advanced funds promptly and that it has accurate information about outstanding advanced funds, HCD should do the following: <ul style="list-style-type: none"> <li>Clarify when recipients must return unspent advances either by revising its policies and procedures or by seeking regulatory change, if needed. For example, HCD could consider requiring recipients to return advanced funds held more than 90 days, to pay an interest penalty on the outstanding funds, or to face other corrective action.</li> </ul>	Fully Implemented	Department of Housing and Community Development
8. To maximize the benefits of its on-site review for CalHome, HCD should revise its current risk assessment tool or develop a new tool to identify the recipients that are at high risk of noncompliance with program requirements. For example, HCD could identify recipients as high risk that have received large amounts of funds and have not submitted required status reports for two consecutive periods.	Fully Implemented	Department of Housing and Community Development

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. Once it has an effective risk assessment tool in place, HCD should establish a process to ensure that it consistently uses the tool to select the recipients at highest risk for on-site monitoring.	Fully Implemented	Department of Housing and Community Development
10. To ensure that its data system is a useful tool for managing its housing bond programs, HCD should revise its strategy documents to clearly outline the steps it will take to address CAPES' current weaknesses. It should include specific timelines and activities within its strategy documents.	Fully Implemented	Department of Housing and Community Development
11. Before July 2015 HCD should adopt policies identifying the steps it should take to ensure that it does not exceed statutory administrative costs limits from bond funds and follow those policies when warranted.	Fully Implemented	Department of Housing and Community Development

**Report Number 2014-108**

*State Board of Equalization Building: Despite Ongoing Health and Safety Concerns, the State Has Not Thoroughly Analyzed the Costs and Benefits of Relocating Employees (September 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To more clearly demonstrate its case for a new facility, the Board of Equalization (BOE) should ensure that it has a supportable rationale for the assumptions underlying its analysis of the costs and benefits of moving to a new consolidated facility.	Pending	Board of Equalization
2. To more clearly demonstrate its case for a new facility, BOE should continue its plans to conduct a study to identify inefficiencies in its current spatial configuration and how its operations could improve with a new consolidated facility.	Pending	Board of Equalization
3. To more clearly demonstrate its case for a new facility, BOE should incorporate staffing growth into its analysis of costs and benefits, using projections based on long-term historical data.	Pending	Board of Equalization
4. To ensure that it can accurately estimate any shifts in worker productivity and state revenue, BOE should strengthen its current methodology by analyzing the productivity and revenue collection of its employees and by monitoring those metrics at least semiannually. Additionally, BOE should support its methodology with documentation.	Pending	Board of Equalization
5. To ensure that resources are spent wisely, General Services should seek the funding and approval needed to analyze whether keeping or selling the BOE building would be in the State's best financial interest. As part of that analysis, General Services should conduct, or contract for, appraisals to assess the value of the building with and without the repairs to determine whether making the repairs is in the best interest of the State. If continued ownership of the building appears to be prudent, General Services should evaluate potential productive uses for the building should BOE move to a new facility. General Services should report the results of its analysis to the Legislature no later than September 2015.	Pending	Department of General Services

**Report Number 2014-119**

*City of Indio: Although the City Complied With the Mello-Roos Act in Forming and Managing Community Facilities District No. 2004-3, It Should Do More to Address Inequities (December 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The city of Indio should shift a share of the water facilities cost borne by Area 1 to Area 2 residents in proportion to the benefits Area 2 residents receive from the facilities. To do so, it should impose through its Indio Water Authority a water fee on Area 2 residents and use the related revenues to reduce the bond debt of Area 1.	Not Currently Feasible	City of Indio

<b>Report Number I2014-1</b>		
<i>Investigations of Improper Activities by State Agencies and Employees (December 2014)</i>		
<b>RECOMMENDATION</b>	<b>STATUS OF RECOMMENDATION</b>	<b>ENTITY</b>
1. Return to headquarters the remaining excess expendable materials seen in August 2013.	Fully Implemented	California Military Department
2. Identify a barcode system that can be used to inventory expendable state property and implement that system.	Partially Implemented	California Military Department
3. Establish a routine of completing a monthly inventory of expendable state property after the barcode system is implemented.	No Action Taken	California Military Department
4. To address the dishonesty and incompatible activities of the employee, place information in the employee's personnel file regarding his dishonesty and incompatible activities so the information may be considered if the employee seeks future employment with the State.	Fully Implemented	Department of Industrial Relations
5. To address the neglect of supervisory duties by the manager, take adverse action against the manager.	Fully Implemented	Department of Industrial Relations
6. To address the failure to adopt a telecommuting program consistent with General Services' guidance, adopt a telecommuting program consistent with General Services' policies, procedures, and guidelines, including the model program, and train staff regarding the requirements of that program.	Fully Implemented	Department of Industrial Relations
7. Either cease providing Inter-Con's evening and weekend security guards with free parking or amend its contract with Inter-Con to disclose that it is providing free parking to Inter-Con employees as part of the price of the contract to protect the safety of the guards working evening and weekend shifts.	Fully Implemented	Department of General Services
9. Provide training regarding headquarters designations and their impact on travel expense claims to all Facilities Office staff who regularly submit travel expense claims.	Fully Implemented	Employment Development Department
10. Provide training to all Facilities Office supervisors who oversee traveling staff to ensure that they understand how to determine and designate headquarters locations for their employees properly.	Fully Implemented	Employment Development Department
11. Require all Facilities Office supervisors to evaluate the current headquarters designations for their traveling staff to ensure that the headquarters designations are correct.	Fully Implemented	Employment Development Department
12. Provide training to the travel unit to ensure that its employees understand the relevant laws and regulations governing headquarters designations.	Fully Implemented	Employment Development Department

<b>Report Number 2014-116</b>		
<i>California Department of Consumer Affairs' BreEZe System: Inadequate Planning and Oversight Led to Implementation at Far Fewer Regulatory Entities at a Significantly Higher Cost (February 2015)</i>		
<b>RECOMMENDATION</b>	<b>STATUS OF RECOMMENDATION</b>	<b>ENTITY</b>
4. To help ensure the success of the BreEZe project going forward, CalTech should ensure that Consumer Affairs responds promptly to, and adequately addresses, concerns raised by its IPO specialist and its IV&V consultant.	Fully Implemented	California Department of Technology
5. To help ensure the success of the BreEZe project going forward, CalTech should require Consumer Affairs to develop and follow all project management plans and ensure that the BreEZe project team leads receive all required training.	Partially Implemented	California Department of Technology
6. To help ensure the success of the BreEZe project going forward, CalTech should document key discussions with Consumer Affairs in which significant concerns are raised about Accenture and assessments of the department's performance by the IV&V consultant and the IPO specialist.	Fully Implemented	California Department of Technology

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. If Consumer Affairs receives the necessary funding and resources to successfully implement BreEZe at the phase 2 regulatory entities and the project continues to face escalating costs, CalTech should require Consumer Affairs to conduct an analysis of the costs and benefits of moving forward with the project as planned or of suspending or terminating the project.	Pending	California Department of Technology
8. Continue implementing the STAR project for state departments and ensure that its framework requires departments undertake detailed business process analyses before submitting FSRs to CalTech for approval.	Partially Implemented	California Department of Technology
9. Continue implementing the STAR project for state departments and ensure that its framework requires departments use detailed business process analyses to justify the type of IT solution they are proposing, such as a COTS or a fully customized system.	Partially Implemented	California Department of Technology
10. Continue implementing the STAR project for state departments and ensure that its framework requires departments use detailed business process analyses to inform the resulting RFPs and that they ensure that the RFPs contain adequate requirements.	Partially Implemented	California Department of Technology
11. To ensure that IT projects have the oversight needed to better position them for success, CalTech should require state departments to follow its IT policies, including developing all necessary plans and receiving all required training.	Pending	California Department of Technology
12. To ensure that IT projects have the oversight needed to better position them for success, CalTech should ensure that departments obtain IPO and IV&V services as soon as an IT project is approved. Additionally, CalTech should document key discussions with any department in which the IV&V consultant and the IPO specialist raise significant concerns about a project, and ensure that the respective department responds promptly to, and adequately addresses, the concerns that the IPO specialist and the IV&V consultant raise.	Partially Implemented	California Department of Technology
13. To ensure that IT projects have the oversight needed to better position them for success, CalTech should require state departments to appropriately address deficiencies identified in CalTech's approval of any SPRs as conditions that must be met, and to do so according to specified timelines. If the deficiencies are not adequately addressed within the specified timelines, CalTech should take action to suspend the project until the department has either resolved the identified deficiencies or adequately documented its justification for not addressing the deficiencies.	Pending	California Department of Technology
14. To ensure that IT projects have the oversight needed to better position them for success, CalTech should develop thresholds relating to IT project cost increases and schedule delays to inform and better justify its decision to allow an IT project to continue. If a department's IT project reaches or exceeds these thresholds, CalTech should require the department to conduct a cost-benefit analysis for the project and include this analysis in an SPR. CalTech should consider the results of this analysis in its decision to approve or deny the SPR and, if warranted, take action to suspend or terminate the project so that it does not allow projects with significant problems to continue without correction.	Pending	California Department of Technology
15. To make certain that Consumer Affairs has a project team that consists of staff trained in managing IT projects, it should ensure that all the BreEZe project team leads obtain all required project management training.	Partially Implemented	Department of Consumer Affairs
16. Consumer Affairs should develop a process to ensure that it prepares all required project management documents and undertakes all oversight activities related to BreEZe as CalTech requires so that it can prevent or identify and monitor future problems as they arise. This includes taking steps to sufficiently respond to any concerns that the IPO specialist and the IV&V consultant raise.	Fully Implemented	Department of Consumer Affairs
17. To the extent that Consumer Affairs chooses to implement BreEZe at the phase 3 regulatory entities, it should first complete a formal cost-benefit analysis to ensure that BreEZe is a cost-effective solution to meet these regulatory entities' business needs. To make certain this analysis is complete, it should include an assessment of the potential changes these regulatory entities may require to be made of the BreEZe system and the associated costs. Consumer Affairs should complete the cost-benefit analysis before investing any more resources into the implementation of BreEZe at the phase 3 regulatory entities, and it should update this analysis periodically as significant assumptions change.	Pending	Department of Consumer Affairs
18. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, system requirements that are specific to each regulatory entity as applicable.	Pending	Department of Consumer Affairs

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, a project team that is qualified and experienced.	Pending	Department of Consumer Affairs
20. If Consumer Affairs determines that a new IT system is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, development of and adherence to all project management plans.	Fully Implemented	Department of Consumer Affairs
21. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, planning and implementation of effective organizational change management.	Pending	Department of Consumer Affairs
22. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, timely response to concerns that the IV&V consultant and the IPO specialist raise.	Pending	Department of Consumer Affairs
23. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, sufficient staffing.	Pending	Department of Consumer Affairs
24. To ensure that future IT project procurements do not jeopardize the State's financial interests, CalTech's procurement division should document its reasons for approving any deviations from standard contract language.	Pending	California Department of Technology
25. To ensure that future IT project procurements do not jeopardize the State's financial interests, CalTech's procurement division should ensure that contract language gives departments the rights to the source code necessary to complete the project if a contract is terminated for convenience.	Fully Implemented	California Department of Technology
26. To ensure that future IT project procurements do not jeopardize the State's financial interests, CalTech's procurement division should ensure that contract language contains assurances that state funds will not be used for unauthorized purposes.	Fully Implemented	California Department of Technology
27. To ensure that future IT project procurements do not jeopardize the State's financial interests, CalTech's procurement division should ensure that contracting departments can appropriately manage IT maintenance support contracts by including service-level agreements in these contracts.	Fully Implemented	California Department of Technology
28. To ensure that contracting departments comply with requirements, CalTech should periodically monitor the status of contracts and enforce adherence to procurement requirements. For example, CalTech should ensure that contracting departments forward all change requests to it and that it conducts reviews of all change requests to determine whether the changes exceed the scope of the respective contract.	Pending	California Department of Technology
29. To ensure that it complies with all terms of the BreEZe contract, Consumer Affairs should develop and follow a process for doing so, including documenting how it has met applicable contract terms, such as forwarding all change requests to CalTech.	Pending	Department of Consumer Affairs
30. To ensure that BRN has adequate data to effectively use its resources and manage its workload, it should formally track and monitor the timeliness of its processing of applications by type and the cause of any delays.	Pending	Board of Registered Nursing
31. To ensure that BRN has adequate data to effectively use its resources and manage its workload, it should formally track and monitor its pending workload of applications by type and original receipt date.	Pending	Board of Registered Nursing
32. To ensure that BRN has adequate data to effectively use its resources and manage its workload, it should conduct an analysis no later than June 30, 2015, of its application processing since implementing BreEZe in order to identify the workload capability of each of its units, such as the licensing support unit; to the extent it determines additional resources are necessary, BRN should submit a request for these resources that is appropriately justified.	Partially Implemented	Board of Registered Nursing
33. To ensure that BRN continues to process applications within regulatory time frames, it should continue its efforts to refine its business processes to increase efficiency and reduce the amount of time applications are pending its review.	Pending	Board of Registered Nursing
34. Consumer Affairs should continue to work with the phase 1 regulatory entities to ensure that the issues they are facing with BreEZe are being resolved in a timely manner, with particular attention to understanding their reporting needs and improving the system's reporting capabilities.	Fully Implemented	Department of Consumer Affairs

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
35. To ensure that future training for BreEZe system rollouts is timely and effective, Consumer Affairs should provide training on the BreEZe system as close to the rollout date as possible to ensure that staff retain the information for using the system as it is implemented.	Pending	Department of Consumer Affairs
36. To ensure that future training for BreEZe system rollouts is timely and effective, Consumer Affairs should work with the regulatory entities to develop training that is specific to each entity's business processes.	Pending	Department of Consumer Affairs

**Report Number 2014-124**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To make certain that the research program contributes to the goals of the solar initiative, the commission should conduct a program evaluation before the remaining grant projects are completed.	Partially Implemented	California Public Utilities Commission
3. To show how air pollution emissions reductions related to the solar initiative benefit the State, the commission should include in future reports the measurable benefits of those reductions.	No Action Taken	California Public Utilities Commission

**Report Number 2014-602**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. By December 2015 CalTech should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including when and how IPO analysts should recommend corrective action and escalate issues to CalTech's management.	Pending	California Department of Technology
2. By December 2015 CalTech should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including when and what CalTech should require that sponsoring agencies perform as remedial actions, and what sanctions CalTech will impose for noncompliance with these remedial actions.	Pending	California Department of Technology
3. By December 2015 CalTech should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including what conditions could trigger CalTech to consider suspending or terminating an IT project.	Pending	California Department of Technology
4. To clarify and reinforce its oversight authority with sponsoring agencies, by December 2015 CalTech should develop a method to formally document and communicate its expectations with the sponsoring agencies whose projects are under CalTech's oversight.	Pending	California Department of Technology
5. To help ensure the independence and objectivity of IPO analysts working in the oversight and consulting division, CalTech should develop a policy outlining expectations for independence and objectivity while performing oversight of IT projects.	Pending	California Department of Technology
6. To help ensure the independence and objectivity of IPO analysts working in the oversight and consulting division, CalTech should provide regular training regarding maintaining independence while conducting project oversight.	Pending	California Department of Technology
7. To better track its oversight actions and sponsoring agencies' responses to these actions, CalTech should retain the briefing documents created for the State CIO's portfolio meetings and the project status reports that sponsoring agencies submit while project oversight is ongoing.	Pending	California Department of Technology
8. To better track its oversight actions and sponsoring agencies' responses to these actions, CalTech should record action items from all portfolio meetings.	Pending	California Department of Technology

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. To ensure that the sponsoring agencies' project status reports provide a reliable and consistent assessment of an IT project's progress, CalTech should develop and adopt specific standards that describe how to calculate and report the project's current status.	Pending	California Department of Technology
10. To attract and retain employees with appropriate experience and qualifications to perform IT project oversight, CalTech should continue its efforts to gain approval to modify and use the project manager classification for the IPO analyst role.	Pending	California Department of Technology
11. To ensure that it provides the appropriate level of oversight for IT projects under development, by December 2015 CalTech should conduct a workload assessment to determine the level of staffing and expertise required for each IT project it oversees.	Pending	California Department of Technology
12. Using the workload assessment that we recommended CalTech complete by December 2015, CalTech should make decisions to assign staffing to oversee each IT project. This staffing could include contracted IPO consultants in those situations when CalTech staff either are unavailable or lack the expertise needed.	Pending	California Department of Technology
13. To improve its oversight training, by June 2015 CalTech should continue to implement a consistent and repeatable training plan for IPO analysts, which includes contract management, project assessment, IT systems engineering, and maintaining independence.	Pending	California Department of Technology
14. By June 2015 CalTech should put in place a system to track IPO analysts' training hours to ensure that all IPO analysts have completed the necessary California Project Management Methodology training curriculum.	Pending	California Department of Technology

**Report Number 2015-608**

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

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

**Report Number 2014-131**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, Franchise Tax Board should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Partially Implemented	Franchise Tax Board
6. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, CalHR should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Partially Implemented	California Department of Human Resources
9. No later than December 1, 2015, Franchise Tax Board should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Partially Implemented	Franchise Tax Board
10. No later than December 1, 2015, CalHR should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Partially Implemented	California Department of Human Resources
16. To ensure that updates to its website are tested for accessibility, by July 31, 2015, CalHR should develop and follow a written test approach that describes how and when changes to its website will be reviewed. This plan should describe how the department will include both automated and manual forms of accessibility testing.	Fully Implemented	California Department of Human Resources
18. To ensure that it can adequately track the results of its accessibility testing, by July 31, 2015, CalHR should develop tracking tools that will allow it to document its testing efforts. At a minimum, these tools should track what portions of its jobs site were tested, what errors were found, and whether and when those errors were addressed.	Fully Implemented	California Department of Human Resources
22. So that complaints from the public do not go unaddressed, by July 31, 2015, CalHR should develop procedures for addressing complaints about the accessibility of its website and methods for tracking the complaints it receives and their resolution.	Fully Implemented	California Department of Human Resources
23. To ensure that all state departments are reminded about web accessibility requirements and best practices, by July 31, 2015, CalTech should issue an official reminder that directs state departments to key policy documents and the SIMM for additional information about how to meet their obligation to provide accessible websites.	Fully Implemented	California Department of Technology
25. To help state websites achieve a higher degree of overall accessibility, by July 31, 2015, CalTech should post standard browser usability features and links to further information on its resources website, and direct all state departments to include this information on their websites.	Fully Implemented	California Department of Technology
26. To standardize California's approach to web accessibility testing, CalTech should issue a policy that specifies the method by which state departments should conduct web accessibility testing. This policy should include information about a minimum combination of operating systems, browsers, and assistive technologies that should be used during testing.	Partially Implemented	California Department of Technology

**Report Number 2015-505**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. CalVet should fully implement the recommendations from our 2009 report.	Partially Implemented	Department of Veterans Affairs
2. Veterans Services should develop and implement a plan by December 31, 2015, to routinely analyze and use myCalVet data to identify trends in the services veterans and their families indicate they are most interested in and incorporate the results of such analyses into its outreach efforts.	Pending	Department of Veterans Affairs

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

**Report Number I2015-1**

*Investigations of Improper Activities by State Agencies and Employees (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
20. To recoup some of the wasted funds the Chula Vista Veterans Home spent on purchasing the boom lift, the Department of Veterans Affairs should determine the boom lift's present-day value and consider either selling or auctioning it.	Resolved	Department of Veterans Affairs
21. To ensure state departments that are considering whether to hire the accounting officer are aware of her improper activities, including using state equipment and materials to type and print a large volume of personal documents, and using her position to improperly access the department's database, the Employment Development Department should determine what documentation, if any, it should place in the accounting officer's personnel file to indicate that she resigned while under investigation.	Fully Implemented	Employment Development Department
22. To alert future state employers to the supervisor's improper activities, Industrial Relations should determine what documentation, if any, it should place in the supervisor's personnel file indicating that he resigned while under investigation. The improper activities substantiated by this investigation include misusing state-compensated time and state email account to coordinate the sale of copied movies and music, sending sexually suggestive emails during his work hours, and misusing a state printer to print materials for a co-worker's fitness studio.	Will Not Implement	Department of Industrial Relations
27. The Employment Development Department should pursue appropriate disciplinary action against the employee to ensure that she discontinues misusing public resources.	Pending	Employment Development Department
33. To ensure that employees limit their personal use of state resources to minimal and incidental use, Industrial Relations should remind employees of the prohibitions against misusing state resources, including time, email, and office space.	Fully Implemented	Department of Industrial Relations

**Report Number 2015-611***High Risk Update—Information Security: Many State Entities' Information Assets Are Potentially Vulnerable to Attack or Disruption (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To assist reporting entities in reaching full compliance with the security standards, the technology department should take the following actions: Ensure the consistency and accuracy of its self certification process by developing a self assessment tool by December 2015 that reporting entities can use to determine their level of compliance with the security standards. The technology department should require reporting entities to submit completed self assessments along with their self certifications.	Partially Implemented	California Department of Technology
4. To assist reporting entities in reaching full compliance with the security standards, the technology department should take the following actions: Provide more extensive guidance and training to reporting entities regarding the self certification process, including training on how they should use the new self assessment tool.	Partially Implemented	California Department of Technology
5. To assist reporting entities in reaching full compliance with the security standards, the technology department should take the following actions: Develop internal policies and procedures to ensure that it reviews all reporting entities' self assessments and self certifications, including requiring supporting evidence of compliance when feasible.	No Action Taken	California Department of Technology
6. To assist reporting entities in reaching full compliance with the security standards, the technology department should take the following actions: Annually follow up on the remediation plans that reporting entities submit.	Fully Implemented	California Department of Technology
7. To provide effective oversight of reporting entities' information security, the technology department should expand on its pilot audit program by developing an ongoing risk based audit program. If the technology department requests additional resources, it should fully support its request.	No Action Taken	California Department of Technology
8. The technology department should revise its certification form to require reporting entities to submit detailed information about their compliance with the security standards. It should use this information to track and identify trends in the State's overall information security.	Partially Implemented	California Department of Technology
9. The technology department should develop policies and procedures to define the process and criteria it will use to incentivize entities' compliance with the security standards.	No Action Taken	California Department of Technology
10. To improve the clarity of the security standards, the technology department should take the following actions: Perform regular outreach to all reporting entities to gain their perspectives, identify any unclear or inconsistent security standards, and revise them as appropriate.	Partially Implemented	California Department of Technology
11. To improve the clarity of the security standards, the technology department should take the following actions: Develop and regularly provide detailed training on the requirements of the security standards and on best practices for achieving compliance. It should provide these trainings in a variety of locations and formats, including webinars.	Partially Implemented	California Department of Technology

**Report Number 2015-508***Follow-Up—Federal Workforce Investment Grants: The Employment Development Department Established Procedures for Seeking Discretionary Grants, but Needs to Strengthen Them (September 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its grant-seeking process is effective in considering grant opportunities related to workforce investment, EDD should update its grant identification and analysis procedures by December 31, 2015, to include the following: <ul style="list-style-type: none"> <li>• Identification of the appropriate level of management or staff to analyze and document the factors considered in pursuing or forgoing grant opportunities.</li> <li>• Documentation of grant analyses, including factors considered in pursuing or forgoing grant opportunities.</li> <li>• Documentation of decisions related to pursuing or forgoing grants.</li> <li>• A method for ensuring that the process is consistently implemented.</li> <li>• Training of appropriate management or staff about EDD's grant-seeking process.</li> </ul>	Partially Implemented	Employment Development Department

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



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

### Report Number 2013-115

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. To ensure it has maximized the effectiveness of the DVBE incentive, Corrections should implement measures to help ensure that it applies the DVBE incentive to all applicable contracts and procurements and that these measures include documented policies and procedures and/or training to procurement staff on properly applying the DVBE incentive.	Fully Implemented	Department of Corrections and Rehabilitation

### Report Number 2013-120

*Sterilization of Female Inmates: Some Inmates Were Sterilized Unlawfully, and Safeguards Designed to Limit Occurrences of the Procedure Failed (June 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the necessary education and disciplinary action can be taken, the Receiver's Office should report to the California Department of Public Health, which licenses general acute care hospitals, and the Medical Board of California, which licenses physicians, the names of all hospitals and physicians associated with inmates' bilateral tubal ligations during fiscal years 2005-06 through 2012-13 for which consent was unlawfully obtained. The Receiver's Office should make these referrals as soon as is practicable.	Fully Implemented	California Correctional Health Care Services
2. To ensure that it can better monitor how its medical staff and contractors adhere to the informed consent requirements of Title 22, sections 70707.1 through 70707.7, the Receiver's Office should develop a plan by August 2014 to implement a process by December 2014 that would include providing additional training to prison medical staff regarding Title 22 requirements for obtaining informed consent for sterilization procedures, including the applicable forms and mandatory waiting period requirements, to ensure that consent is lawfully obtained.	Fully Implemented	California Correctional Health Care Services
3. To ensure that it can better monitor how its medical staff and contractors adhere to the informed consent requirements of Title 22, sections 70707.1 through 70707.7, the Receiver's Office should develop a plan by August 2014 to implement a process by December 2014 that would include developing checklists or other tools that prison medical staff can use to ensure that medical procedures are not scheduled until after the applicable waiting periods for sterilization have been satisfied.	Fully Implemented	California Correctional Health Care Services
4. To ensure that it can better monitor how its medical staff and contractors adhere to the informed consent requirements of Title 22, sections 70707.1 through 70707.7, the Receiver's Office should develop a plan by August 2014 to implement a process by December 2014 that would include periodically reviewing, on a consistent basis, a sample of cases in which inmates received treatment resulting in sterilization at general acute care hospitals, to ensure that all informed consent requirements were satisfied.	Fully Implemented	California Correctional Health Care Services
5. To ensure that it can better monitor how its medical staff and contractors adhere to the informed consent requirements of Title 22, sections 70707.1 through 70707.7, the Receiver's Office should develop a plan by August 2014 to implement a process by December 2014 that would include working with Corrections to establish a process whereby inmates can have witnesses of their choice when consenting to sterilization, as required by Title 22, or working to revise such requirements so that there is an appropriate balance between the need for secure custody and the inmate's ability to have a witness of her choice.	Will Not Implement	California Correctional Health Care Services
6. Until such time as the Receiver's Office implements a process for obtaining inmate consent for sterilization under Title 22 that complies with all aspects of the regulations, it should discontinue its practice of facilitating an inmate's consent for sterilization in the prison and allow the general acute care hospital to obtain an inmates consent.	Fully Implemented	California Correctional Health Care Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To improve the quality of the information prison medical staff document in inmate medical records, the Receiver's Office should train its entire medical staff on its policy in the inmate medical procedures related to appropriate documentation in inmates' medical records. This training should be completed by December 31, 2014.	Fully Implemented	California Correctional Health Care Services
8. To improve the quality of the information prison medical staff document in inmate medical records, the Receiver's Office should either develop or incorporate into an existing process a means by which it evaluates prison medical staffs' documentation in inmates' medical records and re-trains medical staff as necessary. The Receiver's Office should develop and implement this process by June 30, 2015.	Fully Implemented	California Correctional Health Care Services
9. To ensure that inmates receive only medical services that are authorized through its utilization management process, the Receiver's Office should develop processes by August 31, 2014, such that a procedure that may result in sterilization is not scheduled unless the procedure is approved at the necessary level of the utilization management process.	Fully Implemented	California Correctional Health Care Services
10. To ensure that inmates receive only medical services that are authorized through its utilization management process, the Receiver's Office should by October 31, 2014, train its scheduling staff to verify that the appropriate utilization management approvals are documented before they schedule a procedure that may result in sterilization.	Fully Implemented	California Correctional Health Care Services
11. To ensure that inmates receive only medical services that are authorized through its utilization management process, the Receiver's Office should ensure that the computer system it procures includes functionality to electronically link medical scheduling with authorization through the utilization management process to prevent all unauthorized procedures, regardless of whether they may result in sterilization, from being scheduled.	Not Fully Implemented	California Correctional Health Care Services

**Report Number 2014-109**

*Sexual Assault Evidence Kits: Although Testing All Kits Could Benefit Sexual Assault Investigations, the Extent of the Benefits Is Unknown (October 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that sexual assault evidence kits are not overlooked and the reason why they are not sent for analysis is clear, by December 1, 2014, the Oakland Police Department should adopt a policy that requires investigators to document the reason they do not submit a request for sexual assault evidence kit analysis to a crime lab.	Fully Implemented	Oakland Police Department
2. To ensure that sexual assault evidence kits are not overlooked and the reason why they are not sent for analysis is clear, by December 1, 2014, the San Diego Police Department should adopt a policy that requires investigators to document the reason they do not submit a request for sexual assault evidence kit analysis to a crime lab.	Fully Implemented	San Diego Police Department
3. To ensure that it maximizes the amount of time available for prosecuting sexual offenses, by December 1, 2014, the Oakland Police Department should formalize in a policy document its new practice of analyzing sexual assault evidence kits within two weeks of the department receiving the kits into evidence, and it should continue to implement that policy.	Fully Implemented	Oakland Police Department
4. To report to the Legislature about the effectiveness of its RADS program and to better inform decisions about expanding the number of analyzed sexual assault evidence kits, Justice should amend its agreements with the counties participating in the RADS program to require those counties to report case outcome information, such as arrests and convictions for the sexual assault evidence kits Justice has analyzed under the program. Justice should then report annually to the Legislature about those case outcomes.	Partially Implemented	Department of Justice

**Report Number 2014-301**

*Judicial Branch Procurement: Five Superior Courts Did Not Consistently Follow Judicial Branch Contracting Practices (November 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To improve its payment practices and comply with the judicial contracting manual, the Alameda court should establish clear procedures for ensuring that appropriate staff sign and authorize all payments prior to processing. It should ensure that staff follows these procedures and that managers do not approve payments above their authorized dollar limits.	Fully Implemented	Superior Court of California, County of Alameda
2. To improve its payment practices and comply with the judicial contracting manual, the Alameda court should prohibit staff from purchasing unauthorized goods or services.	Fully Implemented	Superior Court of California, County of Alameda
3. To improve its payment practices and comply with the judicial contracting manual, the Alameda court should only make advance payments under the conditions that the judicial contracting manual allows.	Fully Implemented	Superior Court of California, County of Alameda
4. To improve its payment practices and comply with the judicial contracting manual, the Alameda court should ensure that all purchases are for allowable purposes.	Fully Implemented	Superior Court of California, County of Alameda
5. To improve its payment practices and comply with the judicial contracting manual, the Alameda court should ensure that it adheres to the \$1,500 single transaction limit for all Cal-Card purchases.	Pending	Superior Court of California, County of Alameda
6. To improve its procurement practices and comply with the judicial contracting manual, the Alameda court should ensure that it either anticipates contracts expiring and competitively rebids them timely or establishes proper noncompetitive amendments to the contracts as the judicial contracting manual specifies.	Pending	Superior Court of California, County of Alameda
7. To improve its procurement practices and comply with the judicial contracting manual, the Alameda court should ensure that it maintains proper documentation in its procurement files to justify its decisions to enter into noncompetitive procurements.	Fully Implemented	Superior Court of California, County of Alameda
8. To improve its procurement practices and comply with the judicial contracting manual, the Alameda court should adopt procedures to implement the small business preference for competitive information technology procurements by December 31, 2014.	Fully Implemented	Superior Court of California, County of Alameda
9. To improve its procurement practices and comply with the judicial contracting manual, the Fresno court should ensure that it maintains proper documentation in its procurement files to justify its decisions to enter into sole-source contracts and to demonstrate that it received fair and reasonable prices.	Fully Implemented	Superior Court of California, County of Fresno
10. To improve its procurement practices and comply with the judicial contracting manual, the Fresno court should use the appropriate solicitation method for the dollar value of the procurements it seeks.	Fully Implemented	Superior Court of California, County of Fresno
11. To improve its procurement practices and comply with the judicial contracting manual, the Fresno court should ensure that it conducts competitive procurements when it establishes blanket purchase orders of \$5,000 or more.	Fully Implemented	Superior Court of California, County of Fresno
12. To improve its procurement practices and comply with the judicial contracting manual, the Fresno court should ensure that staff does not approve payments for amounts greater than their authorized limits.	Fully Implemented	Superior Court of California, County of Fresno
13. To improve its procurement practices and comply with the judicial contracting manual, the Fresno court should adopt procedures to implement the State's DVBE program and the small business preference for competitive information technology procurements by December 31, 2014.	Fully Implemented	Superior Court of California, County of Fresno
14. To improve its procurement practices and comply with the judicial contracting manual, the San Luis Obispo court should solicit competitive bids for procurements of \$5,000 or more when required to do so.	Fully Implemented	Superior Court of California, County of San Luis Obispo
15. To improve its procurement practices and comply with the judicial contracting manual, the San Luis Obispo court should ensure that it maintains proper documentation in its procurement files to justify its decisions to enter into noncompetitive procurements, including sole-source contracts.	Fully Implemented	Superior Court of California, County of San Luis Obispo

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. To improve its procurement practices and comply with the judicial contracting manual, the San Luis Obispo court should take steps to ensure that pricing it receives is fair and reasonable when it uses leveraged procurement agreements and document these steps in its procurement files.	Fully Implemented	Superior Court of California, County of San Luis Obispo
17. To improve its procurement practices and comply with the judicial contracting manual, the Yuba court should ensure that it maintains proper documentation in its procurement files to justify its decisions to enter into sole-source contracts.	Fully Implemented	Superior Court of California, County of Yuba

**Report Number 2014-107**

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

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14. To ensure that it spends funds appropriately, the AOC should develop and implement controls to govern how its staff can spend judicial branch funds. These controls should include specific definitions of local assistance and support expenditures, written fiscal policies and procedures as the rules of court require, and a review process.	Pending	Administrative Office of the Courts
15. The Judicial Council should develop rules of court that create a separate advisory body, or amend the current advisory committee's responsibilities and composition, that reports directly to the Judicial Council to review the AOC's state operations and local assistance expenditures in detail to ensure they are justified and prudent. This advisory body should be composed of subject matter experts with experience in public and judicial branch finance.	Pending	Judicial Council of California
17. To increase transparency, the Judicial Council should conduct a more thorough review of the AOC's implementation of the evaluation committee's recommendations by more closely scrutinizing the actions the AOC asserts it has taken to complete directives.	Fully Implemented	Judicial Council of California
18. To make the AOC's budget more understandable, the Judicial Council should require the AOC to report its budget in a more understandable and transparent manner, and in a manner that readily allows stakeholders and the public to know the full amount of the AOC's spending. Further, the Judicial Council should require the AOC to prepare and make public a high-level summary of how the judicial branch's budget relates to the appropriations from the State's budget.	Pending	Judicial Council of California
19. The AOC should conduct a comprehensive survey of the courts on a regular schedule—at least every five years—to ensure that the services it provides align with their responses. The AOC should re-evaluate any services that the courts identify as being of limited value or need.	Pending	Administrative Office of the Courts
20. To justify its budget and staffing levels, the AOC should conduct the steps in CalHR's workforce planning model in the appropriate order. It should begin by establishing its mission and creating a strategic plan based on the needs of the courts. It should then determine the services it should provide to achieve the goals of that plan. The AOC should base its future staffing changes on the foundation CalHR's workforce planning model provides. Finally, the AOC should develop and use performance measures to evaluate the effectiveness of this effort.	Pending	Administrative Office of the Courts
21. To ensure that it provides services to the trial courts as efficiently as possible, the Judicial Council should explore implementing a fee-for-service model for selected services. These services could include those that are little used or of lesser value to the trial courts, as identified in our survey that we discuss in Chapter 3.	Pending	Judicial Council of California
22. To justify the budget and staff level of the AOC, the Judicial Council should implement some or all of the best practices we identified to improve the transparency of AOC spending activities.	Pending	Judicial Council of California

**Report Number 2014-117**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it complies with state laws and its policies related to retired annuitants' employment, Corrections should provide its hiring managers and staff with guidance by June 2015 on including an adequate justification on the hiring form for retired annuitants.	Fully Implemented	Department of Corrections and Rehabilitation
2. To ensure that it complies with state laws and its policies related to retired annuitants' employment, Corrections should provide its hiring managers and staff with guidance by June 2015 on obtaining necessary approvals before retired annuitants begin work.	Fully Implemented	Department of Corrections and Rehabilitation
3. To ensure that it complies with state laws and its policies related to retired annuitants' employment, Corrections should provide its hiring managers and staff with guidance by June 2015 on verifying and maintaining EDD forms indicating that retirees have not received unemployment compensation in the 12 months preceding their hire.	Fully Implemented	Department of Corrections and Rehabilitation
4. To make certain that its employment of returning retired annuitants complies with state laws, by June 2015 Corrections should provide training on what constitutes limited duration and how to appropriately document it.	Fully Implemented	Department of Corrections and Rehabilitation

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

**Report Number 2015-608**

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

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

## Report Number 2015-030

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

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To ensure that it can justify future expenditures that exceed a certain dollar level, such as capital or IT projects that cost more than \$2 million, the State Bar should implement a policy that requires accurate cost-benefit analyses comparing relevant cost estimates. The policy should include a requirement that the State Bar present the analyses to the board to ensure that it has the information necessary to make appropriate and cost-effective decisions. In addition, the State Bar should be clear about the sources of funds it will use to pay for each project.	Fully Implemented	State Bar of California
13. To justify any future special assessment that the State Bar wants to add to the annual membership fee, the State Bar should first present the Legislature with the planned uses for those funds and cost estimates for the project for which the State Bar intends to use the special assessment.	Pending	State Bar of California
14. To ensure that it adequately informs the Legislature about the status of the IT projects in its strategic plan, the State Bar should annually update the projects' cost estimates, their respective status, and the funds available for their completion.	Pending	State Bar of California
17. To determine a reasonable and justified annual membership fee that better reflects its actual costs, the State Bar should conduct a thorough analysis of its operating costs and develop a biennial spending plan. It should work with the Legislature to set an appropriate annual membership fee based upon its analysis. The first biennial spending plan should also include an analysis of the State Bar's plans to spend its current fund balances.	Pending	State Bar of California

**Report Number 2015-504**

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that it accurately identifies all prohibited persons, Justice should implement its plan to develop a checklist by July 2015 and desk procedures by September 2015 to aid its analysts in making correct prohibition determinations.	Partially Implemented	Department of Justice
3. To ensure staff can promptly address the daily queue and the historical backlog, by July 2016 Justice should identify and implement strategies, including pursuing funding, to staff its bureau operations to the level it needs.	Partially Implemented	Department of Justice
4. To fully implement our previous recommendation and ensure that it keeps an updated accurate list of all mental health facilities, by July 2015 Justice should implement supervisory review of its analyst's comparison of Justice's mental health facilities list and Health Care Services' list to ensure staff identified and corrected all discrepancies.	Fully Implemented	Department of Justice
5. To fully implement our previous recommendation and ensure that it investigates all significant drops in mental health facility reporting, Justice should revise its procedure to consider drops between each quarter.	Fully Implemented	Department of Justice

**Report Number I2015-1**

*Investigations of Improper Activities by State Agencies and Employees (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should reduce the accumulated leave balances of Employee A by 886 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Resolved	California Correctional Health Care Services
11. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should reduce the accumulated leave balances of Employee A by 886 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Partially Implemented	Department of Corrections and Rehabilitation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should work with the California Public Employees' Retirement System and attempt to recoup the \$22,766 in CTO leave hours Employee B—who retired in April 2015—cashed out but to which he was not entitled.	Resolved	California Correctional Health Care Services
13. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should work with the California Public Employees' Retirement System and attempt to recoup the \$22,766 in CTO leave hours Employee B—who retired in April 2015—cashed out but to which he was not entitled.	Partially Implemented	Department of Corrections and Rehabilitation
14. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should reduce the accumulated leave balances of Employee C by 261 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Resolved	California Correctional Health Care Services
15. To recoup the payment and leave accumulations to which its employees were not entitled, Corrections and Correctional Health Care should reduce the accumulated leave balances of Employee C by 261 hours. If his accumulated leave balances are not sufficient, offset any remaining hours against future accumulations of leave.	Partially Implemented	Department of Corrections and Rehabilitation
16. Corrections and Correctional Health Care should develop a policy requiring all labor relations analysts, including the labor relations analyst at Prison 1, to document any communications from the Office of Labor Relations at Corrections that affect employee compensation.	Pending	California Correctional Health Care Services
17. Corrections and Correctional Health Care should develop a policy requiring all labor relations analysts, including the labor relations analyst at Prison 1, to document any communications from the Office of Labor Relations at Corrections that affect employee compensation.	Fully Implemented	Department of Corrections and Rehabilitation
18. Corrections and Correctional Health Care should run a query of exempt positions related to the chief psychologist classification, such as clinical psychologists and senior psychologists, to determine whether any other exempt employees were improperly credited or paid for on-call or call-back assignments prior to December 2014, and seek recovery through reducing those employees' accumulated leave balances.	Partially Implemented	California Correctional Health Care Services
19. Corrections and Correctional Health Care should run a query of exempt positions related to the chief psychologist classification, such as clinical psychologists and senior psychologists, to determine whether any other exempt employees were improperly credited or paid for on-call or call-back assignments prior to December 2014, and seek recovery through reducing those employees' accumulated leave balances.	Partially Implemented	Department of Corrections and Rehabilitation
28. Correctional Health Care should develop a process to ensure that it uses master agreements to procure only goods and services that are within the scope of those agreements.		California Correctional Health Care Services
29. Correctional Health Care should ensure that it or its contractor submits to the Department of Technology all projects that require Technology's review.		California Correctional Health Care Services
30. Correctional Health Care should ensure that it has received all of the goods and services for which it already paid the contractor, or for which it has been invoiced to pay by the contractor.		California Correctional Health Care Services
31. Correctional Health Care should provide appropriate counseling and training to the staff and officials involved in project procurements so they are aware of the proper procedures for contracting and for reviewing and approving invoices, including ensuring that all goods and services have been received prior to paying contractors.		California Correctional Health Care Services
32. Correctional Health Care should consider whether any disciplinary action is warranted.		California Correctional Health Care Services

**Report Number 2015-302**

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

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

\* The status of recommendations for audits issued between November and December 2015 is based on the entity's initial response, which is included in the original audit report, available on the California State Auditor's (state auditor) website: [www.auditor.ca.gov](http://www.auditor.ca.gov)

† As of December 31, 2015, the entity has not provided a response to the state auditor



REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Annualized Carry Forward for July 1, 2015, Through December 31, 2015</b>		<b>\$63,009,600</b>
2002-009 (April 2003)	California Energy Markets	\$14,500,000
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
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	19,000
2009-030 (July 2009)	State Bar of California	142,500
2009-112 (May 2010)	Department of Health Care Services	2,350,000
2010-108 (June 2010)	Department of Public Health	1,783,000
2009-118 (August 2010)	Department of Developmental Services	7,500,000
I2011-1 (August 2011)	Department of Mental Health§ (Allegation I2009-0644)	38,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	1,045,000
2011-119 (June 2012)	Physical Therapy Board	14,000
2011-120 (August 2012)	California Department of Transportation	1,900,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	7,500
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	18,500
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	9,500
2012-117 (March 2013)	State Athletic Commission	3,000,000
2012-110 (April 2013)	Department of Motor Vehicles	3,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	18,000
2013-119 (August 2014)	Department of Health Care Services	635,350
2012-603 (August 2014)	Department of Human Resources and California State University	611,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	24,000
2013-125 (December 2014)	Department of Health Care Services	7,000
2014-107 (January 2015)	Administrative Office of the Courts	6,946,750
2014-113 (January 2015)	Department of Public Health	250,000
2015-502 (July 2015)	Department of Social Services	11,600,000
2014-130 (August 2015)	Department of Health Care Services	1,009,500
<b>Total for July 1, 2014, Through June 30, 2015</b>		<b>\$107,860,200</b>
<b>Total One-Time Benefits for July 1, 2014, Through June 30, 2015</b>		<b>\$13,379,000</b>
2013-119 (August 2014)	<i>California Department of Health Care Services: Its Failure to Properly Administer the Drug Medi-Cal Treatment Program Created Opportunities for Fraud</i>	\$61,000
	Cost Recovery—Outpatient drug-free services providers in Los Angeles County and Fresno County could not locate all of the patient 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.	
	Cost Recovery—The California Department of Health Care Services (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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	<p>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.</p>	2,860,000
2012-603 (August 2014)	<p><i>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</i></p> <p>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.</p>	6,357,000
2014-301 (November 2014)	<p><i>Judicial Branch Procurement: Superior Court of California, County of Alameda: Five Superior Courts Did Not Consistently Follow Judicial Branch Contracting Practices</i></p> <p>Wasted Funds/Cost Savings—The Superior Court of California, County of Alameda overpaid \$2,500 for mental health assessments for participants in the Parolee Reentry Court Program. It also purchased bottled water for court staff and jurors at a cost of over \$4,000 a month. The <i>State Administrative Manual</i> and the <i>State Contracting Manual</i> generally prohibit the purchase of bottled water for staff, except in limited circumstances, such as when the building water does not meet health standards. We estimate that the court could save \$48,000 each year by discontinuing purchasing bottled water for court staff and jurors.</p>	51,000
2013-125 (December 2014)	<p><i>California Department of Health Care Services: Weaknesses in Its Medi-Cal Dental Program Limit Children's Access to Dental Care</i></p> <p>Wasted Funds/Cost Avoidance—The California Department of 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.</p>	70,000
I2014-1 (December 2014) (Allegations I2010-1250, I2012-0355, I2011-0878)	<p><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></p> <p>Wasted Funds—The California 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.</p>	33,000
	<p>Wasted Funds—The California Department of General Services (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.</p>	13,000
	<p>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.</p>	27,000
2014-107 (January 2015)	<p><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></p> <p>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.</p>	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	Wasted Funds/Cost Savings—The AOC provides discounted transit passes for major public transportation providers, but it pays almost double the subsidy amounts for transit passes compared to the executive branch. For July 2010 through December 2013, this excess subsidy cost the AOC approximately \$1,160,000. We estimate an annual cost savings of \$330,000 associated with this recommendation.	1,160,000
	Cost Savings—The AOC pays the employee share of the member's retirement contribution for certain executive and management staff hired before October 2012. We estimate the AOC will save approximately \$110,000 per fiscal year in cost savings if it ceases to pay these employees' shares.	
	Wasted Funds/Cost Savings—The AOC maintains three work locations, which has resulted in: <ul style="list-style-type: none"> <li>• approximately \$25,000 spent on travel expenses for executive managers who work in different locations than the majority of their staff</li> <li>• a salary differential of \$47,000 annually paid to AOC's internal audits office</li> <li>• an excess \$5 million annually spent on rent</li> </ul>	25,000
	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 used 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.	
	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.	
	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.	
	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
2014-118 (January 2015)	<i>California Department of Developmental Services: Its Process for Assessing Fees Paid by Parents of Children Living in Residential Facilities Is Woefully Inefficient and Inconsistent</i>	552,000
	Lost Revenue—The California Department of Developmental Services (Developmental Services) failed to provide timely assessments of parental fees. For the roughly 250 initial assessments Developmental Services performs each year, we estimated that the annual amount of unbilled fees caused by assessment delays ranges from \$740,000 to \$1.1 million. Based on Developmental Services' average collection rate of 60%, we calculated approximately \$552,000 in lost revenue.	
2014-113 (January 2015)	<i>California Department of Public Health: Even With a Recent Increase in Federal Funding, Its Efforts to Prevent Diabetes Are Focused on a Limited Number of Counties</i>	500,000
	Lost Revenue—We found two federal grants related to diabetes for which the California Department of Public Health (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.	
2014-121 (June 2015)	<i>University of California, Davis: It Has Not Identified Future Financing for the Strawberry Breeding Program nor Collected All Available Revenues</i>	157,000
	Lost Revenue—Under the terms of the strawberry program's licensing agreements, University of California, Davis (UC Davis) had opportunities to collect additional strawberry program revenues, but it chose not to do so. Over a three-year period, UC Davis did not collect approximately \$157,000 in interest charges from three licensed nurseries and a master licensee for late royalty payments.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Annualized Carry Forward for July 1, 2014, Through June 30, 2015</b>		<b>\$94,481,200</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health <sup>S</sup> (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	California Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	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
2015-107 (January 2015)	Administrative Office of the Courts	13,893,500
<b>Total for July 1, 2013, Through June 30, 2014</b>		<b>\$603,077,000</b>
<b>Total One-Time Benefits for July 1, 2013, Through June 30, 2014</b>		<b>\$516,780,000</b>
2012-118 (July 2013)	<i>California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law</i>	\$40,000
	Cost Recovery—The California Public Utilities Commission (commission) failed to provide guidance to its accounting staff regarding interest computation methodology, which resulted in the commission overpaying an estimated \$40,000 in interest payments on intervenor claims. The commission is currently in the process of collecting the overpaid interest from the intervenors.	
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>	16,000
	Wasted Funds—The Department of Parks and Recreation 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.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
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 California Department of Veterans Affairs (Veterans Affairs) unwisely entered into two contracts on behalf of the home that wasted \$653,000 in state-managed funds and did not comply with state contracting requirements. Veterans Affairs wasted approximately \$424,000 during fiscal years 2009–10, 2010–11, and 2011–12 when it paid a vendor to manage the café and tavern at a veterans home when it could have arranged for another vendor to operate the café and tavern at little or no cost to the home. Veterans Affairs wasted nearly \$229,000 during fiscal years 2010–11 and 2011–12 when it entered into a contract that did not comply with state contracting requirements for the construction and operation of an adventure park and therefore had to spend funds to terminate the contract.	653,000
I2012-0651 (March 2014)	<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—The Employment Development Department (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 (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****\$86,297,000**

2002-009 (April 2003)	California Energy Markets	\$29,000,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
<b>Total for July 1, 2012, Through June 30, 2013</b>		<b>\$140,226,000</b>
<b>Total One-Time Benefits for July 1, 2012, Through June 30, 2013</b>		<b>\$32,600,000</b>
2011-120 (August 2012)	<p><i>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</i></p> <p>Increased Revenue—The California Department of Transportation (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.</p>	
2012-105 (November 2012)	<p><i>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</i></p> <p>Cost Recovery—The Department of Public Health (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.</p>	\$12,000
2010-102 (February 2011; December 2012 Update)	<p><i>Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management</i></p> <p>Cost Recovery—In February 2011 we issued a report regarding the Administrative Office of the Courts' (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.</p>	16,000,000
I2012-1 (December 2012) (Allegation I2009-0634)	<p><i>Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees</i></p> <p>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.</p>	227,000
I2012-1 (December 2012) (Allegation I2008-1217)	<p><i>Employment Development Department: Investigations of Improper Activities by State Employees</i></p> <p>Cost Recovery—A former Employment Development Department (EDD) accounting technician and two accomplices were convicted of conspiracy to commit mail fraud for executing a scheme to redirect unemployment insurance (unemployment) benefits from the State of California to ineligible recipients. During the duration of their scheme, the two accomplices illicitly received nearly \$93,000 in unemployment claims for wages to which they were not entitled using U.S. mail to deliver their benefits from August 2008 through October 2010.</p>	93,000
I2012-1 (December 2012) (Allegation I2009-1341)	<p><i>California State Athletic Commission: Investigations of Improper Activities by State Employees</i></p> <p>Cost Recovery—The California State Athletic Commission (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>	25,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	Wasted Funds—Due to the statute of limitation for recovering overpayments, the commission cannot recover \$94,000 of the \$119,000 the commission overpaid to 18 of its athletic inspectors from January 2009 through December 2010.	94,000
	Wasted Funds—We identified \$29,000 in costs incurred over a two-year period that could have been avoided if the 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 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.	29,000
I2012-1 (December 2012) (Allegation I2009-1218)	<i>Department of Fish and Game†: Investigations of Improper Activities by State Employees</i>	54,000
	Wasted Funds—A supervisor with the Department of 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.	
I2012-1 (December 2012) (Allegation I2009-0689)	<i>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	55,000
	Wasted Funds—A manager with California Correctional Health Care Services improperly allowed Department of Corrections and Rehabilitation (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.	
I2012-1 (December 2012) (Allegation I2009-1321)	<i>Natural Resources Agency: Investigations of Improper Activities by State Employees</i>	48,000
	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.	
I2012-1 (December 2012) (Allegation I2010-1151)	<i>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	9,000
	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.	
I2012-1 (December 2012) (Allegation I2010-1022)	<i>University of California, Office of the President: Investigations of Improper Activities by State Employees</i>	6,000
	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.	
I2005-2 (Allegations I2004-0649, I2004-0681, I2004-0789) (December 2012 Update)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	3,500,000
	Cost Recovery—Issued in September 2005, this investigation revealed that the Department of Corrections (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.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2012-117 (March 2013)	<i>State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question</i>	197,000
	Wasted Funds—Over the last three calendar years for administrative spending, the State Athletic Commission (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.	
	Lost Revenue—The 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 commission failed to collect \$4,600 because it inconsistently adhered to its regulations and processes.	5,000
	Lost Revenue—The 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.	20,000
	Lost Revenue—In 2010 and 2011 the commission inappropriately used funds from the 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.	40,000
	Increased Revenue—The 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 commission reported 22 instances where it collected a maximum broadcasting fee from promoters. Going forward, we estimate that the commission will realize approximately \$110,000 in increased revenue annually as a result of these increased maximum fees.	
12009-0640 (March 2013)	<i>California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property</i>	2,000
	Cost Recovery—A supervisor with the California Department of Transportation (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.	
	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.	14,000
2012-110 (April 2013)	<i>Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported</i>	12,000,000
	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.	
12010-1045 (June 2013)	<i>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</i>	127,000
	Wasted Funds—The California Department of Corrections and Rehabilitation 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—California Correctional Health Care Services wasted \$42,589 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at one correctional facility we examined.	43,000

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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2011-1 (August 2011) (Allegation I2009-0601)	<i>Department of Fish and Game†: Investigations of Improper Activities by State Employees</i>  Cost Recovery—A manager at the Department of Fish and Game (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)	<i>State Controller's Office: Investigations of Improper Activities by State Employees</i>  Cost Recovery—An employee of the State Controller's Office failed to report an estimated 322 hours of absences over an 18-month period. The State Controller's Office should seek reimbursement from the employee for the wages she did not earn.	7,000
2010-124 (September 2011)	<i>Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain</i>  Cost Savings—The Department of 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)	<i>Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment</i>  Lost Revenue—The Employment Development Department (EDD) missed opportunities to receive up to \$10.5 million from six federal grants available for workforce investment, and thus it is not availing itself of additional funds the State can use to help job seekers obtain employment. Because EDD does not have a grant review and approval process that documents its identification of grant opportunities and its final decisions related to such opportunities, we were unable to substantiate EDD's reasons for foregoing grant opportunities.	10,500,000
2011-119 (June 2012)	<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

<b>Annualized Carry Forward for July 1, 2011, Through June 30, 2012</b>		<b>\$168,395,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services†	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

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
<b>Total for July 1, 2010, Through June 30, 2011</b>		<b>\$390,054,000</b>
<b>Total One-Time Benefits for July 1, 2010, Through June 30, 2011</b>		<b>\$209,059,000</b>
2009-114 (July 2010)	<i>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>	Unknown
	Cost Savings and Recovery—We recommended that the Department of General Services (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.	
2003-106 (October 2003; August 2010 Update)	<i>State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reform of the Process</i>	\$194,000,000
	Cost Recovery—We recommended that the State Controller's Office (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.	
2009-118 (August 2010)	<i>Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers</i>	15,000,000
	Cost Recovery—We found that the Department of Developmental Services (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.	
2010-106 (November 2010)	<i>Dymally-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs</i>	47,000
	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.	
I2010-2 (January 2011) (Allegation I2008-1024)	<i>Department of General Services: Investigations of Improper Activities by State Employees</i>	12,000
	Cost Recovery—A manager with the Department of General Services (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.	

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<b>Annualized Carry Forward for July 1, 2010, Through June 30, 2011</b>		<b>\$180,995,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services†	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
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
<b>Total for July 1, 2009, Through June 30, 2010</b>		<b>\$195,429,000</b>
<b>Total One-Time Benefits for July 1, 2009, Through June 30, 2010</b>		<b>\$23,023,000</b>
2009-112 (May 2010)	<i>Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits</i>	\$4,700,000
	Cost Avoidance—If the Department of 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.	
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>	70,000
	Increased Revenue—The Department of Public Health (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.	95,000
		3,300,000
		101,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2010-1 (June 2010) (Allegation I2008-1066)	<i>Department of Industrial Relations: Investigations of Improper Activities by State Employees</i>	70,000
	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.	
I2010-1 (June 2010) (Allegation I2008-0920)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	111,000
	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.	
	Cost Savings—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform clerical and administrative tasks. When these employees returned to their normal duties, the Department of Corrections and Rehabilitation did not hire any other employees to perform the clerical and administrative tasks, resulting in a cost savings to the State of \$75,824.	76,000
I2010-1 (June 2010) (Allegation I2008-1037)	<i>California State University, Northridge: Investigations of Improper Activities by State Employees</i>	21,000
	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.	
2009-030 (July 2009)	<i>State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs</i>	850,000
	Lost Revenue/Increased Revenues—The State Bar of California (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.	
2009-101 (November 2009)	<i>Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts</i>	12,450,000
	Cost Recovery—Since December 2003 counties have received millions of dollars in overpayments recovered from food stamp recipients. However, the Department of Social Services (Social Services) has been delayed in taking the steps needed to claim its share of these overpayments—approximately \$12.45 million. As a result of the six-year delay in addressing this issue, we estimate Social Services lost approximately \$1.1 million in interest on its share of the funds.	1,100,000
I2009-0702 (November 2009)	<i>Department of Corrections and Rehabilitation: Its Poor Internal Controls Allowed Facilities to Overpay Employees for Inmate Supervision</i>	35,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) made almost \$35,000 in overpayments to 23 employees for inmate supervision, and we recommended that Corrections recover the overpayments from the employees.	
2009-043 (November 2009)	<i>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</i>	9,000
	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.	5,000 30,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Annualized Carry Forward for July 1, 2009, Through June 30, 2010</b>		<b>\$172,406,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services†	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
<b>Total for July 1, 2008, Through June 30, 2009</b>		<b>\$175,426,000</b>
<b>Total One-Time Benefits for July 1, 2008, Through June 30, 2009</b>		<b>\$1,931,000</b>
2007-040 (September 2008)	<i>Department of Public Health: Laboratory Field Services' Lack of Clinical Laboratory Oversight Places the Public at Risk</i>  Increased Revenue—The Department of Public Health (Public Health) incorrectly adjusted the fees it charged to clinical laboratories, resulting in more than \$1 million in lost revenue. Public Health should adjust fees in accordance with the budget act.	\$1,020,000
I2008-2 (October 2008) (Allegation I2006-0826)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>  Cost Recovery—The Department of Corrections and Rehabilitation improperly paid nine office technicians a total of \$16,530 for supervising inmates when the technicians did not qualify to receive the money.	17,000
I2008-2 (October 2008) (Allegation I2008-0678)	<i>California Environmental Protection Agency: Investigations of Improper Activities by State Employees</i>  Cost Recovery—The California Environmental Protection Agency paid an employee for 768 hours for which she was not at work and for which no leave balance was charged or used.	23,000
I2008-2 (October 2008) (Allegation I2007-1049)	<i>Department of Housing and Community Development: Investigations of Improper Activities by State Employees</i>  Cost Recovery—A full-time employee of the Department of Housing and Community Development simultaneously worked full-time at a nonprofit organization for a year, along with other time and attendance abuses.	35,000
I2008-2 (October 2008) (Allegation I2007-0917)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>  Cost Recovery—The Department of Corrections and Rehabilitation improperly compensated two physicians for 3,025 hours of work on a time-and-a-half basis rather than on an hour-for-hour basis.	108,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-2 (October 2008) (Allegation I2007-0771)	<i>State Personnel Board<sup>ll</sup>: Investigations of Improper Activities by State Employees</i>	14,000
	Wasted Funds—The State Personnel Board approved contracts with a retired annuitant and a retired employee without providing reasonable justification for the contract or the contract amount.	
2008-103 (November 2008)	<i>California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources</i>	20,000
	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.	
I2009-1 (April 2009) (Allegation I2006-1125)	<i>Department of Fish and Game<sup>†</sup>, Office of Spill Prevention and Response: Investigations of Improper Activities by State Employees</i>	72,000
	Cost Recovery—A high level official formerly with the Office of Spill Prevention and Response of the Department of Fish and Game incurred \$71,747 in improper travel expenses she was not entitled to receive.	
I2009-1 (April 2009) (Allegation I2007-0909)	<i>State Compensation Insurance Fund: Investigations of Improper Activities by State Employees</i>	8,000
	Cost Recovery—An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her \$8,314 for hours she did not work.	
I2009-1 (April 2009) (Allegation I2007-0891)	<i>Department of Corrections and Rehabilitation and Department of General Services: Investigations of Improper Activities by State Employees</i>	580,000
	Wasted Funds—The departments of Corrections and Rehabilitation and General Services wasted \$580,000 in state funds by continuing to lease 5,900 square feet of office space that was left unoccupied for more than four years.	
2009-042 (May 2009)	<i>Children's Hospital Program: Procedures for Awarding Grants Are Adequate, but Some Improvement Is Needed in Managing Grants and Complying With the Governor's Bond Accountability Program</i>	34,000
	Lost Revenue—We identified interest revenues totaling \$34,000 the California Health Financing Authority (authority) did not recover from grantees on advanced funds. The authority can recover a currently unidentifiable amount of revenue if it requires grantees to place future advances of funds in interest bearing accounts. The amount of future funds that will be advanced, as opposed to disbursed for reimbursement expenditures, as well as the associated interest earnings are not predictable.	
<b>Annualized Carry Forward for July 1, 2008, Through June 30, 2009</b>		<b>\$173,495,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services <sup>‡</sup>	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services <sup>‡</sup>	4,600,000
I2004-2 (September 2004)	Department of Health Services <sup>‡</sup> (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	1,186,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services <sup>‡</sup>	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
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
<b>Total for January 1, 2008, Through June 30, 2008</b>		<b>\$86,603,000</b>
<b>Total One-Time Benefits for January 1, 2008, Through June 30, 2008</b>		<b>\$13,081,000</b>
I2008-1 (April 2008) (Allegation I2006-0665)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>  Wasted Funds—The Department of Corrections and Rehabilitation leased 29 parking spaces at a private parking facility but did not use them.	\$50,000
I2008-1 (April 2008) (Allegation I2006-1040)	<i>Department of Social Services: Investigations of Improper Activities by State Employees</i>  Cost Recovery/Cost Savings—The Department of Social Services (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.	13,000
I2008-1 (April 2008) (Allegation I2007-0958)	<i>Department of Justice: Investigations of Improper Activities by State Employees</i>  Cost Recovery—The Department of Justice paid compensation to five employees that they may not have earned over a nine-month period.	18,000
2007-122 (June 2008)	<i>Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal</i>  Cost Recovery—The Department of Health Care Services (Health Care Services) has identified overbilling to Medi-Cal by equipment providers. We estimated Health Care Services has overpaid providers by approximately \$13 million during the period from October 2006 through September 2007. This is a one-time cost recovery to Health Care Services if they collect all overpayments.  Cost Savings—If Health Care Services implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid \$13 million in overpayments annually.	13,000,000
<b>Annualized Carry Forward for January 1, 2008, Through June 30, 2008</b>		<b>\$73,522,000</b>
2002-101 (July 2002)	Department of Corrections and Rehabilitation	\$21,750,000
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
2003-124 (August 2004)	Department of Health Services†	2,300,000
I2004-2 (September 2004)	Department of Health Services† (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	1,168,000
2004-134 (July 2005)	State Athletic Commission	16,500
2004-125 (August 2005)	Department of Health Services†	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

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<b>Benefits identified prior to 2008, but have annualized carry forward values</b>		
2002-101 (July 2002)	<i>California Department of Corrections<sup>#</sup>: A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management's Control</i>	
	Cost Savings—We estimate that the Department of Corrections and Rehabilitation (Corrections) could save \$58 million if it reduces overtime costs by filling unmet correctional officer needs. This estimate includes the \$42 million we identified in our November 2001 report (2001-108). Corrections stated in its six-month response to this audit that, following our recommendation to increase the number of correctional officer applicants, it has submitted a proposal to restructure its academy to allow two additional classes each year. This action could potentially allow Corrections to graduate several hundred more correctional officers each year, thereby potentially contributing to a reduction in its overtime costs. However, any savings from this action would be realized in future periods. We estimate that Corrections could realize savings of \$14.5 million beginning in fiscal year 2005–06, with savings increasing each year until reaching \$58 million in fiscal year 2008–09.	
2002-009 (April 2003)	<i>California Energy Markets: The State's Position Has Improved, Due to Efforts by the Department of Water Resources and Other Factors, but Cost Issues and Legal Challenges Continue</i>	
	Cost Savings—In response to an audit recommendation, the Department of Water Resources (Water Resources) renegotiated certain energy contracts. Water Resources' consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be \$580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the \$580 million over the 20-year period the savings will be realized, which results in \$29 million annually.	
2002-118 (April 2003)	<i>Department of Health Services<sup>‡</sup>: Its Efforts to Further Reduce Prescription Drug Costs Have Been Hindered by Its Inability to Hire More Pharmacists and Its Lack of Aggressiveness in Pursuing Available Cost-Saving Measures</i>	
	Cost Savings—the Department of Health Services estimated that it could save \$20 million annually by placing the responsibility on the pharmacists to recover \$1 copayments they collect from each Medi-Cal beneficiary filling a prescription. We estimate the State could begin to receive these savings each year beginning in fiscal year 2003–04.	
2003-125 (July 2004)	<i>California Department of Corrections<sup>#</sup>: More Expensive Hospital Services and Greater Use of Hospital Facilities Have Driven the Rapid Rise in Contract Payments for Inpatient and Outpatient Care</i>	
	Cost Savings—The potential for the Department of Corrections and Rehabilitation (Corrections) to achieve some level of annual savings appears significant if it could negotiate cost-based reimbursement terms, such as paying Medicare rates, in its contracts with hospitals. We estimated potential savings of at least \$20.7 million in Corrections' fiscal year 2002–03 inmate hospital costs. Specifically, had Corrections been able to negotiate contracts without its typical stop-loss provisions that are based on a percent discount from the hospitals' charges rather than costs, it might have achieved potential savings of up to \$9.3 million in inpatient hospital payments in fiscal year 2002–03 for the six hospitals we reviewed that had this provision. Additionally, had Corrections been able to pay hospitals the same rates as Medicare—which bases its rates on an estimate of hospital resources used and their associated costs—it might have achieved potential savings of \$4.6 million in emergency room and \$6.8 million in nonemergency room outpatient services at all hospitals in fiscal year 2002–03. Recognizing that Corrections will need some time to negotiate cost-based reimbursement contract terms, we estimate that it could begin to realize savings of \$20.7 million annually in fiscal year 2005–06.	
2003-124 (August 2004)	<i>Department of Health Services<sup>‡</sup>: Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program</i>	
	Cost Savings—Represents the savings the Department of Health Services (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.	

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I2004-2 (September 2004) (Allegation I2002-0853)	<p><i>Department of Health Services<sup>‡</sup>: Investigations of Improper Activities by State Employees</i></p> <p>Cost Savings/Avoidance—We found that managers and employees at the Department of Health Services' (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.</p>	
I2004-2 (September 2004) (Allegation I2002-1069)	<p><i>Military Department: Investigations of Improper Activities by State Employees</i></p> <p>Cost Savings/Avoidance—We found that the California Military Department (Military) improperly granted employees an increase in pay they were not entitled to receive. Because Military has returned all the overpaid employees to their regular pay levels, it should be able to save approximately \$64,200 each year.</p>	
2004-105 (October 2004)	<p><i>Department of Corrections<sup>#</sup>: Although Addressing Deficiencies in Its Employee Disciplinary Practices, the Department Can Improve Its Efforts</i></p> <p>Cost Savings—The Department of Corrections could save as much as \$290,000 annually by using staff other than peace officers to fill its employment relations officer positions.</p>	
I2005-1 (March 2005) (Allegation I2003-0834)	<p><i>Department of Corrections<sup>#</sup>: Investigations of Improper Activities by State Employees</i></p> <p>Cost Recovery/Cost Savings—In violation of state regulations and employee contract provisions, the Department of Corrections (Corrections) paid 25 nurses at four institutions nearly \$238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save \$119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate.</p>	
2004-033 (May 2005)	<p><i>Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies</i></p> <p>Cost Savings/Avoidance—In a prior audit, we had noted that opportunities existed for the Department of General Services (General Services) to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State \$5.1 million annually.</p> <p>Cost Recovery—As we recommended, the Department of Health Services<sup>‡</sup> identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly \$2.5 million in net overpayments that resulted from its error.</p>	
2004-113 (July 2005)	<p><i>Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs</i></p> <p>Cost Savings/Avoidance—The Department of General Services (General Services) expects that the new, more competitive contracts it awarded for January 2006 through December 2008 should save the State about \$2.3 million each year. Cost savings reflect six months—January through June 2006.</p> <p>Increased Revenue—General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling \$36,000 per year.</p> <p>Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees.</p>	
2004-134 (July 2005)	<p><i>State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered</i></p> <p>Increased Revenue—If the State Athletic Commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of \$33,300 more per year.</p>	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2004-125 (August 2005)	<i>Department of Health Services<sup>‡</sup>: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements</i>	
	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.	
I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	<i>Department of Corrections<sup>#</sup>: Investigations of Improper Activities by State Employees</i>	
	Cost Recovery—The Department of Corrections (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.	
I2006-1 (March 2006) (Allegation I2004-1057)	<i>Department of Fish and Game<sup>†</sup>: Investigations of Improper Activities by State Employees</i>	
	Increased Revenue—The Department of 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)	<i>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</i>	
	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.	

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

† 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.

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

|| On July 1, 2012, the State Personnel Board and the Department of Personnel Administration were combined to create the California Department of Human Resources.

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