



April 7, 2010

Mr. Ronald L. Diedrich, Acting Director
Department of General Services
P.O. Box 989052
West Sacramento, CA 95798-9052

Dear Mr. Diedrich:

Final Report—Division of the State Architect, Public School Planning, Design, and Construction Review Revolving Fund

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its review of the Division of the State Architect's (DSA) Public School Planning, Design, and Construction Review Revolving Fund.

The enclosed report is for your information and use. DSA's response to the report observations is incorporated into this final report. DSA agreed with our observations and plans to take appropriate actions to address the issues presented in the report.

In accordance with Finance's policy of increased transparency, this report will be placed on our website. Additionally, pursuant to Executive Order S-20-09, please post this report in its entirety to the Reporting Government Transparency website at <http://www.reportingtransparency.ca.gov> within five working days of this transmittal.

We appreciate the assistance and cooperation of DSA. If you have any questions regarding this report, please contact Kimberly Tarvin, Manager, or Rick Cervantes, Supervisor, at (916) 322-2985.

Sincerely,

David Botelho, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Mr. David F. Thorman, AIA, State Architect of California, Department of General Services
Ms. Kathy Hicks, Acting Deputy Director, Division of the State Architect, Department of General Services
Mr. David Zian, Policy Deputy, Division of the State Architect, Department of General Services
Mr. T.J. Rapozo, Manager, Fiscal and Legislative Services Section, Division of the State Architect, Department of General Services
Mr. Rick Gillam, Chief, Office of Audit Services, Department of General Services

A F_{UND} R_{EVIEW}

Department of General Services Division of the State Architect Public School Planning, Design, and Construction Review Revolving Fund



San Diego City College Career Technology Center

Prepared By:
Office of State Audits and Evaluations
Department of Finance

091760195DDR

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Final reports are available on our website at <http://www.dof.ca.gov>

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EXECUTIVE SUMMARY

The Department of General Services (DGS), Division of the State Architect (DSA), ensures that K-12 schools and community colleges are safe and accessible. State law mandates that DSA review and approve plans for new school building, rehabilitation, or addition of any school building prior to construction. DSA is also responsible for ensuring public buildings are accessible to persons with disabilities, and that essential services buildings comply with the building code. Fees are paid to DSA for these review and oversight services.

DSA entered into an interagency agreement with the Department of Finance, Office of State Audits and Evaluations (Finance), to review the Public School Planning, Design, and Construction Review Revolving Fund (Fund 0328). Specifically, DSA requested that Finance:

- Determine if the fees charged are appropriate and equitable.
- Determine if the Fund 0328 expenditures are accurate and associated with ensuring structural safety and fire and life safety at California's K-12 schools and community colleges.
- Determine the appropriateness of the fund balance.

RESULTS

DSA, in most instances, is assessing and collecting fees in accordance with the applicable Education and Health and Safety Codes, California Code of Regulations, and published policies. However, the fees charged by DSA are not appropriate or equitable and the expenditures are not always associated with ensuring structural safety and fire and life safety at California's K-12 schools and community colleges. Furthermore, fees have exceeded expenditures resulting in an excessive \$68 million fund balance as of June 30, 2009. The observations noted in this report prevent DSA from aligning the Fund 0328 revenues with expenditures, which resulted in the excessive fund balance. Details regarding the following observations are included in the Results section of this report.

- Fee structures should reflect the cost of providing services.
- Some fees may not be billed for uncertified closed projects.
- Information system errors impact revenue collection and accounting.
- Refund policies and the further fee structure are inequitable.
- Accounts receivable collection efforts need improvement.
- Cost reporting system is inadequate.
- Cost allocation is inequitable.
- Contracting controls need improvement.

During fieldwork, we consistently communicated the progress of our review and observations with DSA management. In some instances, DSA management has already initiated activities to address the observations. Also, DSA hired a consultant to analyze program costs, fee structures, and provide recommendations to improve operating processes. We encourage continued action in addressing all the observations in this report.

BACKGROUND, SCOPE, AND METHODOLOGY

BACKGROUND

The Department of General Services (DGS), Division of the State Architect (DSA), was established in 1907. DSA's primary role is to ensure that California's K-12 schools and community colleges are seismically safe and accessible. DSA fulfills this role by reviewing construction project plans for structural safety, fire and life safety, and accessibility (access to persons with disability); and providing construction oversight. In this role, DSA works closely with school districts, designers, and construction inspectors. In a typical year, DSA reviews about 4,000 project plans.

DSA's programs and activities are funded by the Public School Planning, Design, and Construction Review Revolving Fund (Fund 0328); Disability Access Account Fund (Fund 0006); and the Certified Access Specialist Fund (Fund 3091). Fund 0328 provides funding for the following:

- *K-12 Schools and Community Colleges*—Review of construction plans for structural safety, fire and life safety, and construction oversight.
- *Essential Services Buildings*—Review state-owned or leased essential services buildings to ensure plans and construction comply with the building code.
- *Certified Inspector Program*—DSA tests, certifies, and recertifies individuals wishing to become school construction inspectors.
- *DSA Academy*—Offers technical classes for architects, engineers, and others.
- *High Performance Incentive Program*—Provides additional funds for school construction that promotes efficient use of energy, water, and natural resources; minimizes toxic substances; and employs acoustics that aid in teaching.
- *Laboratory Evaluations*—Oversight of testing laboratories that perform services on school projects.

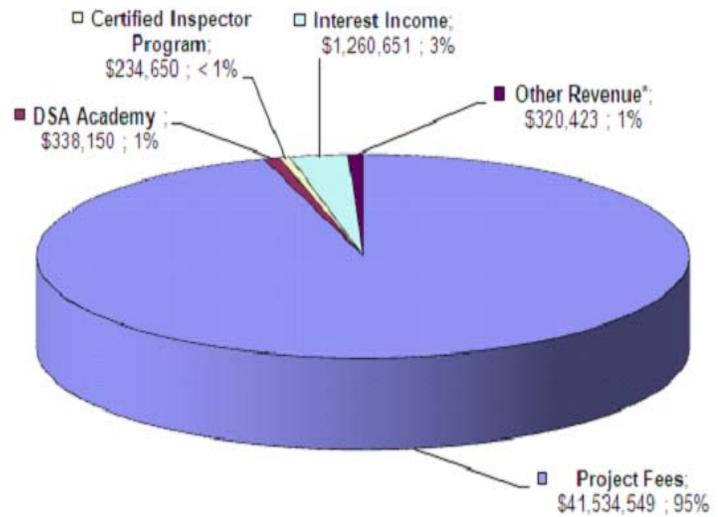
DSA consists of a headquarters office in Sacramento and four regional offices in Sacramento, San Diego, Los Angeles, and Oakland. Satellite offices are located in Bakersfield and Riverside. The headquarters office is responsible for development and administration of statewide programs and the recruitment of new DSA employees. The regional offices conduct project plan review, construction oversight, and project closeout activities.

REVENUES

DSA assesses fees for services based on various fee structures including percentage of construction costs, square footage, flat fees, and hourly rates. The fee structures are established per the Education and Health and Safety Codes, California Code of Regulations (regulations), published rates on the DSA website, and/or the various application forms. See Appendix A for a brief description of fees.

Approximately 95 percent of the Fund 0328 revenues are generated from the structural safety and fire and life safety plan and construction field reviews for K-12 schools and community colleges (see Figure 1). These project fees are paid in advance based on a percentage of estimated construction costs submitted with the project application. Subsequent fees, known as additional fees and further fees, are invoiced when contracted costs and/or actual construction costs exceed the estimated costs by a minimum percentage. Where actual construction costs decrease, the schools are issued a refund. DSA recognizes revenue for the fees paid in advance based on the percentage of completion during the plan review and construction phase. The filing fees, additional fees, further fees, and refunds are specified in the statutes and regulations. Appendix B illustrates the plan and field review revenue process.

Figure 1: Fund 0328 2008-09 Revenue



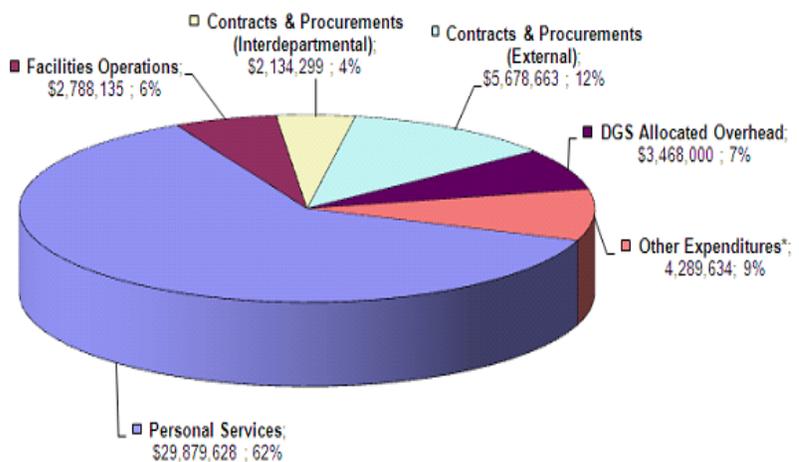
* Other Revenue includes laboratory evaluation and essential services buildings

DSA charges other fees related to Essential Services Buildings, DSA Academy, Certified Inspector Program, High Performance Incentive Program, Laboratory Evaluations, and plan revisions and alternate designs. The essential services building fees are also specified in statute and regulations. The other fees are not specified in statute or regulations. The other revenue source includes interest income earned for fees paid in advance and the excess fund balance.

EXPENDITURES

DSA's largest expenditures are personal services, external contracts, facilities operations, and allocated DGS overhead (see Figure 2). Personal Services represent 62 percent of expenditures and include salaries, benefits, and overtime paid to DSA employees. DSA employees include structural engineers, architects, fire and life safety professionals, construction supervisors, and administrative and technical support. The External Contracts and Procurements

Figure 2: Fund 0328 2008-09 Expenditures



* Other Expenditures includes general office expenses, equipment, travel, training, data processing, and central administrative services

are generally for outsourced professional services to help DSA complete the plan review phase for school construction. The Interdepartmental Contracts and Procurements represent interagency agreements with other state departments. Facilities Operations expenditures primarily include rent for headquarters, four regional offices, and two satellite offices. DGS overhead expenditures are indirect costs incurred by DGS offices (e.g. Office of Fiscal Services, Office of Technology Resources, Human Resources, etc.) that are allocated to Fund 0328.

FUND BALANCE

The Fund 0328 balance at June 30, 2009 was \$68 million. This balance represents accumulated revenues less expenditures from inception of the fund. The fund balance increased significantly due to revenue from fees and interest income exceeding the expenditures for 13 of the last 15 years (see Appendix C). However, Fund 0328 had a \$6 million operational loss in fiscal year 2008-09, and DSA predicts annual operational losses of approximately \$17 million and \$21 million in 2009-10 and 2010-11, respectively¹. If these losses occur as predicted, the fund balance will be reduced to \$30 million by June 30, 2011.

SCOPE

DSA entered into an interagency agreement with the Department of Finance, Office of State Audits and Evaluations (Finance) to review Fund 0328. Specifically, DSA requested that Finance:

- Determine if the fees charged are appropriate and equitable.
- Determine if the Fund 0328 expenditures are accurate and associated with ensuring structural safety and fire and life safety at California's K-12 schools and community colleges.
- Determine the appropriateness of the fund balance.

DSA's Disability Access Account Fund (Fund 0006) and the Certified Access Specialist Fund (Fund 3091) programs were not included in this review. Further, this review does not assess the efficiency and effectiveness of operations.

METHODOLOGY

To evaluate DSA's Fund 0328 fees, expenditures, and fund balance, interviews were conducted with the following: headquarters administrative staff, headquarters program managers, regional office managers, regional office engineers, regional office administrative staff, DGS Office of Fiscal Services staff, and former DSA staff. The following topics were discussed:

- Roles and responsibilities
- Operational processes and policies
- Fee structures
- Revenue recognition
- Contracting
- Overhead allocation

¹ Estimated losses are based on DSA's revenue and expenditure projections as of November 2009.

Additionally, we performed the following:

- Reviewed and analyzed financial reports.
- Reviewed relevant information systems controls.
- Reviewed methodology supporting fee structures where available.
- Compared assessed fees rates to Education and Health and Safety Code sections, regulations, and published policies.
- Reviewed methodology to recognize revenue.
- Reviewed a sample of direct expenditures.
- Reviewed contracted services procedures.
- Reviewed the overhead allocation methodology.
- Reviewed the fund condition statement projection methodology.

The recommendations were developed based on the evaluation of data, documentation obtained, and discussions with staff. This review was conducted from July 2009 through January 2010.

Except as discussed below, the review was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and recommendations based on our review objectives. We believe the evidence obtained provides a reasonable basis for our observations and recommendations.

In connection with this review, there are certain disclosures required by *Government Auditing Standards*. Finance is not independent of DGS, as both are part of the State of California's Executive Branch. As required by various statutes within the California Government Code, Finance performs certain management and accounting functions. These activities impair independence. However, sufficient safeguards exist for readers of this report to rely on the information contained herein.

The Department of General Services (DGS), Division of the State Architect (DSA), in most instances, is assessing and collecting fees in accordance with the applicable Education and Health and Safety Codes, California Code of Regulations (regulations), and published policies. However, the fees charged by DSA are not appropriate or equitable and the expenditures are not always associated with ensuring structural safety and fire and life safety at California's K-12 schools and community colleges. Furthermore, fees have exceeded expenditures resulting in an excessive \$68 million fund balance as of June 30, 2009.

During fieldwork, we consistently communicated the progress of our review and observations with DSA management. In some instances, DSA management has already initiated activities to address the observations. Also, DSA hired a consultant to analyze program costs, fee structures, and provide recommendations to improve operating processes. We encourage continued action in addressing all the observations in this report.

REVENUES

Fees charged to support a special fund should be aligned with the costs related to the services provided. The following observations should be addressed to ensure fees are appropriately structured, billed, accurately recorded, and timely collected.

Observation 1: Fee Structures Do Not Reflect the Cost of Providing Services

The Fund 0328 fee structures are outdated and the methodologies used to develop the fees either do not exist or do not have analysis or supporting documents linking the costs to the fees. Section 17301 of the Education Code states that the fees charged should not exceed the cost of services realized by DGS, including the maintenance of a reasonable working fund balance. Due to the current fee structure, significant operating surpluses occurred in prior years resulting in a \$68 million fund balance as of June 30, 2009. However, because DSA predicts the fund will incur deficiencies in the next two years, the current fee structure could eventually result in a negative fund balance if these trends continue. This further demonstrates the need for the fee structures to be reevaluated and linked to the costs of providing services.

The most significant fee is the K-12 schools and community colleges construction projects fee (Project Fee) which represents 95 percent of the fees collected. The Project Fee structure was established in 1981 based on a percentage of the cost of construction. However, the fee structure has never been adjusted in subsequent years to account for changes in the construction market including the price of materials, inflation, the bid market, educational requirements, etc. Because the fee is based on a percentage of construction costs, the fees received do not correlate with DSA's costs of providing the related services.

Recommendations:

- A. Develop fee structures based on the cost of providing services.
- B. Ensure the methodology for each fee structure is adequately supported with detailed documentation, analysis, and formal legal opinions. Furthermore, formal legal opinions should be obtained for policy decisions that significantly affect DSA's costs and/or fees prior to implementation.
- C. Consider revising the statute and regulations so that new fee structures can be implemented with annual adjustments to reflect changes in workload, the construction market, DSA's costs, and other relevant factors.

Observation 2: Some Fees May Not Be Billed for Uncertified Closed Projects

Because a significant portion of the projects are closed without certification, a risk exists that some fees due to DSA are not billed. Projects are closed without certification when required documents are not provided, fees are unpaid, or uncorrected safety or code deficiencies are identified. See Appendix E for the types of closed projects.

The filing fees were correctly calculated and billed based on the documents available in the project files. However, for some of the uncertified projects the original Contract Information Form (DSA 102) and change orders were not submitted by the client or architect. In these cases, DSA sent a 90-day letter requesting the missing documents, but the client or architect did not comply. According to DSA, there are no financial penalties to compel clients or architects to submit the required documents. See Tables 1 and 2 for a breakdown of the certified and uncertified projects closed for fiscal years 2007-08 and 2008-09.

Table 1: Projects Closed in 2007-08

Fiscal Year	Project Closeout Status	Number of Projects	Percent of Projects
2007-08	Certified	2,496	38%
	Uncertified: Missing documents or unpaid fees	3,855	58%
	Uncertified: Safety or code deficiencies	249	4%
Total Closed Projects		6,600	100%

Table 2: Projects Closed in 2008-09

Fiscal Year	Project Closeout Status	Number of Projects	Percent of Projects
2008-09	Certified	1,867	62%
	Uncertified: Missing documents or unpaid fees	1,037	35%
	Uncertified: Safety or code deficiencies	100	3%
Total Closed Projects		3,004	100%

Recommendation:

Revise the regulations to include financial penalties for clients that fail to file required documents, report incorrect construction costs, or do not meet safety or code requirements. Financial penalties will provide an incentive for clients to ensure the required documents are submitted to DSA. Receipt of the required documents will allow DSA to calculate whether additional fees are due and bill clients accordingly.

Observation 3: Information System Errors Impact Revenue Collection and Accounting

Information system errors in the eTracker project management application compromise the data reliability of reported revenue for construction projects, and may have resulted in overbilling of some projects. The eTracker system is a subsidiary application critical to DSA's financial operations because it records receipts, calculates fees, generates invoices, and calculates earned revenue.

Data from the eTracker system is uploaded into the Activity Based Management System (ABMS) which records the accounting transactions for the financial statements. Sections 13402 and 13403 of the Government Code require state agency heads to establish and maintain systems of internal accounting and administrative controls that ensure that systems are functioning as prescribed and that the accounting data is accurate and reliable. A review of the eTracker system identified the following concerns:

- As of July 31, 2009, an \$11 million variance in the unearned revenue account existed between the eTracker and the ABMS. Specifically, the eTracker unearned revenue account balance was \$46,281,853 and the ABMS balance was \$35,567,741. Timely reconciliations and resolutions of variances would help ensure data reliability.
- Invoices generated in eTracker are loaded into the ABMS on a daily basis. A reconciliation between eTracker and ABMS for invoice numbers and total dollars is performed. However, several unresolved variances existed for invoices not uploaded into ABMS. DSA staff indicated they are now tracking the variances as of May 2009.
- Further fees are calculated incorrectly when there is a decrease in reported construction costs. Specifically, eTracker does not apply the credit against the fees due. Instead, eTracker adds this amount to the total due resulting in overbilling.
- Multiple copies of the same invoice are generated with different invoice numbers when the save button is selected more than once. This error may cause revenue and accounts receivable to be overstated because duplicate invoice amounts are recorded in ABMS.
- Invoices printed after the original issue dates contain data errors. Specifically, customer numbers and the original invoice dates are replaced with the date the invoice is reprinted. This error results in erroneous data in the eTracker system. Additionally, this could create difficulties in determining when clients were billed and require staff to research the customer number when following-up on uncollected amounts.
- When the increase between the estimated project cost and contract cost is less than 30 percent, further fees are misclassified as additional fees. As a result, erroneous data is uploaded into the accounting system.

Recommendations:

- A. Research and resolve all eTracker variances and reconciling items timely.
- B. Correct the eTracker system errors to ensure the system is operating properly and recording the financial information accurately.
- C. Conduct periodic tests of the eTracker system to verify data integrity.

Observation 4: Inequitable Refund Policies and Further Fee Structure

The refund policy and calculation of the further fees are inequitable for some clients as discussed below.

Refund Policy

The refund policy in the regulations (Title 21, Sections 17f and 25 and Title 24, Sections 4-317(f) and 4-325) is unclear and inequitable. For example, while the regulations require DSA to assess a further fee when the actual costs of construction exceed the estimated costs by more than 5 percent, it issues refunds only when actual costs are less than 70 percent of the estimated cost (more than a 30 percent variance). There is a wide disparity between the point at which additional fees are assessed and refunds issued. DSA should attempt to close this gap by reducing this disparity.

Further Fee Structure

In dollar terms, smaller projects bear a disproportionate relative amount of further fees than larger projects. As noted, further fees are assessed when actual projects costs exceed estimated costs by more than 5 percent. Because this assessment is percentage-based, costs for small projects reach the minimum dollar threshold before large projects. As a result, small projects may be assessed fees while large projects may be assessed none. Table 3 provides an example of this disparity.

Table 3: Sample Calculation of Further Fee

Calculation of Further Fees	Small Project	Large Project
Estimated Project Cost	\$1,000,000	\$10,000,000
Actual Project Cost	1,480,000	10,480,000
Actual Cost Exceeding Estimated Cost	480,000	480,000
5 Percent Threshold	50,000	500,000
Threshold Met	Yes	No
Further Fee Rate*	.5%	NA
Further Fee Due DSA per Regulations	\$ 2,400	\$ 0

*The Filing Fee is .7 percent for the first \$1,000,000 of costs and .5 percent on the amount over \$1,000,000

Recommendations:

- A. Revise the regulations and procedures to ensure that refund policies are equitable to both DSA and clients.
- B. Revise the regulations to establish a minimum dollar threshold rather than a percentage threshold for assessing further fees.

Observation 5: Accounts Receivable Collection Efforts Need Improvement

Accounts receivables are not collected timely. As of June 30, 2009, receivables totaling \$2,001,984 were outstanding over 180 days, some dating back to December 1998. Of this amount, \$1,992,453 was due from school districts and local governments that should have been cleared within 60 days.

An effective collection process for receivables is necessary to ensure that all amounts due are collected. Section 8776.6 of the State Administrative Manual (SAM) describes the steps required when collecting amounts due. *Furthermore, this is a prior audit finding in the DGS Office of Audit Services audit report dated December 28, 2007.*

Recommendations:

- A. Timely collect all outstanding receivables.
- B. Revise the regulations to include financial penalties for clients that fail to pay receivables timely.

EXPENDITURES

Expenditures should be accurately recorded and associated with ensuring structural safety and fire and life safety at California's schools and community colleges. The program cost information should be captured in an adequate cost reporting system. Contracting controls should ensure that processes are consistent and result in the responsible expenditure of funds. By addressing the observations below, DSA will ensure development of accurate cost data and effective contracting procedures.

Observation 6: Inadequate Cost Reporting System

DSA's cost reporting system does not track costs in sufficient detail to enable management to identify the costs of services by program, or determine whether the related fees are appropriate to cover the costs. Specifically, the cost reporting system cannot generate revenue and expenditure reports for each program/project; DSA and DGS indirect costs are not allocated to each program; and regional field office staff charged 415,000 hours to a general assignment code instead of specific school construction projects. Had school construction costs been tracked by project, DSA would be able to determine the average cost of the services incurred during the project period, and develop the appropriate fees for each type of project. Furthermore, DSA expenditures increased 45 percent while revenues increased only 12 percent over the five year period ending June 30, 2009 (see Appendix D). An adequate cost reporting system could also help DSA identify which programs are affected by the cost increases and appropriately revise the applicable fee structures to prevent significant fund balance surpluses or deficits.

Recommendations:

- A. Develop a cost reporting system that accurately tracks all costs and revenue by specific program at the level of detail needed to develop appropriate fee structures.
- B. Consider tracking revenue and expenditures for each school construction project to identify the average project cost and significant cost overruns.
- C. Review the policy for charging hours to general assignment codes and determine if those hours can be charged to specific school construction projects.

Observation 7: Inequitable Cost Allocations

The allocation of indirect costs (including administrative personnel) was not equitable and Fund 0328 was not reimbursed for loaned employees. An equitable allocation of indirect costs and reimbursement for loaned employees are critical for developing appropriate fee structures and ensuring appropriate allocation of DGS overhead. Furthermore, SAM requires that indirect costs be allocated to programs and/or funding sources in the most equitable basis practical. Specifically, we identified the following:

Inequitable Allocation of Administrative Personnel Costs

Fund 0328 is overcharged for administrative staff salaries and benefits. Specifically, each DSA employee cost is 100 percent charged to Fund 0006 or Fund 0328 even though administrative² personnel generally perform duties that benefit both funds. In addition, DSA did not have a documented methodology to support the administrative positions charged to Fund 0328. Based on our review of duty statements and organization charts, administrative positions fully charged to Fund 0328 should be charged to both Funds 0328 and 0006. Some examples include the following:

- Employees in the Business Services Unit at the regional offices
- Regional office managers
- State Architect
- Both Deputy Directors

Inequitable Allocation of DSA and DGS Indirect Costs

Indirect costs that benefit both Fund 0328 and Fund 0006 were allocated inequitably to Fund 0328 as follows:

- Rent expenditures of \$4 million were allocated to Fund 0328 in 2007-08 and 2008-09 while no rent was allocated to Fund 0006.
- Fund 0328 was charged 100 percent for other indirect costs including building security services, computer software, and equipment purchases.
- Office of Technology Resources costs of \$2 million in 2008-09 were allocated to Fund 0328 while no costs were allocated to Fund 0006.

² Generally includes DSA headquarters administrative services, fiscal services, and information technology employees; regional offices project services and business services employees; and supervisors and managers that perform work for both funds (e.g. a regional office manager).

- Office of Fiscal Services (OFS) and Human Resources (HR) overhead cost allocations are based on personnel years. Because the above mentioned overcharged administrative personnel costs are included in the allocation base, Fund 0328 is also overcharged for the OFS and HR overhead costs.

Failure to Reimburse Fund 0328 for Loaned Employees

For the payroll period ending June 30, 2009, seven DSA employees were loaned to other DGS divisions. The duties performed by these staff for the other divisions were not associated with K-12 schools and community colleges plan review and construction oversight. The related salaries and benefits were charged to Fund 0328 without reimbursing Fund 0328 for these costs.

Recommendations:

- A. Review administrative personnel duties, develop an equitable methodology to allocate administrative personnel costs to both funds, and document the methodology.
- B. Develop, document, and implement an equitable cost allocation for DSA indirect costs.
- C. DSA and DGS should review and revise DGS overhead allocation to ensure indirect costs charged to Fund 0328 are equitable.
- D. Reimburse Fund 0328 for loaned employee salary and benefits.

Observation 8: Contracting Controls Need Improvement

The Estimate of Value of Services (EVS) prepared for retainer contracts were not always approved by regional office managers before contractor negotiations. Additionally, the EVS templates at the regional offices were not standardized. Furthermore, DSA did not have a documented methodology to support the contract rates used for structural safety and fire and life safety reviews, and the approved rates were not documented in the policies and procedures. Contracting controls related to timely approvals, standardized templates, and documented policies and procedures will help ensure the responsible expenditure of funds. *Most of these issues were prior audit findings in the DGS Office of Audit Services audit report dated December 28, 2007.*

Recommendation:

Ensure all EVS are approved prior to contract negotiations, EVS templates are standardized, and methodology supporting contract rates is documented.

APPENDIX A

SUMMARY OF FEES

Plan and Field Review Filing Fees ¹	<ul style="list-style-type: none"> Filing Fee is 0.7 percent of the first \$1,000,000 of estimated cost and 0.5 percent on the excess of the estimated cost over \$1,000,000, except that the minimum fee in any case shall be \$250.00. Additional Fee - Applies when the original contract amount of a project exceeds the estimated cost of a project by more than 30 percent. Further Fee - Applies when the actual cost of the project exceeds the estimated cost by more than 5 percent (including any adjustment for additional fees). 		
Essential Services ²	<ul style="list-style-type: none"> Filing fee is 1.5 percent of the first \$1,000,000 of estimated cost and 1.25 percent of the excess of the estimated cost over \$1,000,000, except that the minimum filing fee for any project shall be \$250. Further Fee - Applies when the actual cost of the project exceeds the estimated cost by more than 5 percent. 		
DSA Academy ^{3, 5}	<ul style="list-style-type: none"> 1 day class at \$250 per student. 2 day classes at \$500 per student (except for Project Inspector: Overview is \$400 per student). 3-day classes at \$750 per student. 		
Certified Inspector Program ⁴	<ul style="list-style-type: none"> Inspector (Class 1- 4)⁵ - \$350 per exam Pre-Stressed Concrete^{6, 7} - \$135 per exam Glulam^{6, 7} - \$225 per exam Relocatable Building In-Plant⁵ - \$135 per exam Masonry⁵ - \$65 per exam Shotcrete^{6, 7} - \$135 per exam 		
High Performance Incentive Program – Energy Plan Review ⁷	<ul style="list-style-type: none"> Filing fee is based on square footage per building established in the Pre-Check Energy Tier Table with an increase of 20 percent of the Labor Fee and 50 percent of the Administration Fee. The minimum fee is \$780 with fees increasing at specified square footage increments. The minimum fee is \$100 per hour of administration for revisions or updates after initial invoices. 		
Laboratory Evaluation ⁵	<table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> New Applicant - \$2,000 Renewal - \$2,000 Added Services - \$250 </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> Name Change - \$250 Moved - \$1,000 New Engineer - \$250 </td> </tr> </table>	<ul style="list-style-type: none"> New Applicant - \$2,000 Renewal - \$2,000 Added Services - \$250 	<ul style="list-style-type: none"> Name Change - \$250 Moved - \$1,000 New Engineer - \$250
<ul style="list-style-type: none"> New Applicant - \$2,000 Renewal - \$2,000 Added Services - \$250 	<ul style="list-style-type: none"> Name Change - \$250 Moved - \$1,000 New Engineer - \$250 		
Plan Review Fees Charged for Revisions or Alternate Designs	<ul style="list-style-type: none"> Revisions requiring more than a total of four hours of review time may be charged at the current DGS hourly rate for plan review. The current rate is \$99.00 per hour.⁷ If revisions result in an increased project scope and higher estimated construction cost, DSA may waive the hourly rate charges and charge additional fees in accordance with Fee Schedule 11 (Title 24, Section 4-321). 		

¹ In accordance with California Code of Regulations, Title 21, Sections 17(f) and 21.1-25 and Title 24, Sections 4-317(f) and 4-321 through 4-325.

² In accordance with California Code of Regulations, Title 24, Section 4-231.

³ Education Code Section 17308(c) authorizes DSA to assess a fee. However the fee amount is not specified in statute.

⁴ Education Code Section 17311(c) authorizes DSA to assess a fee. However the fee amount is not specified in statute.

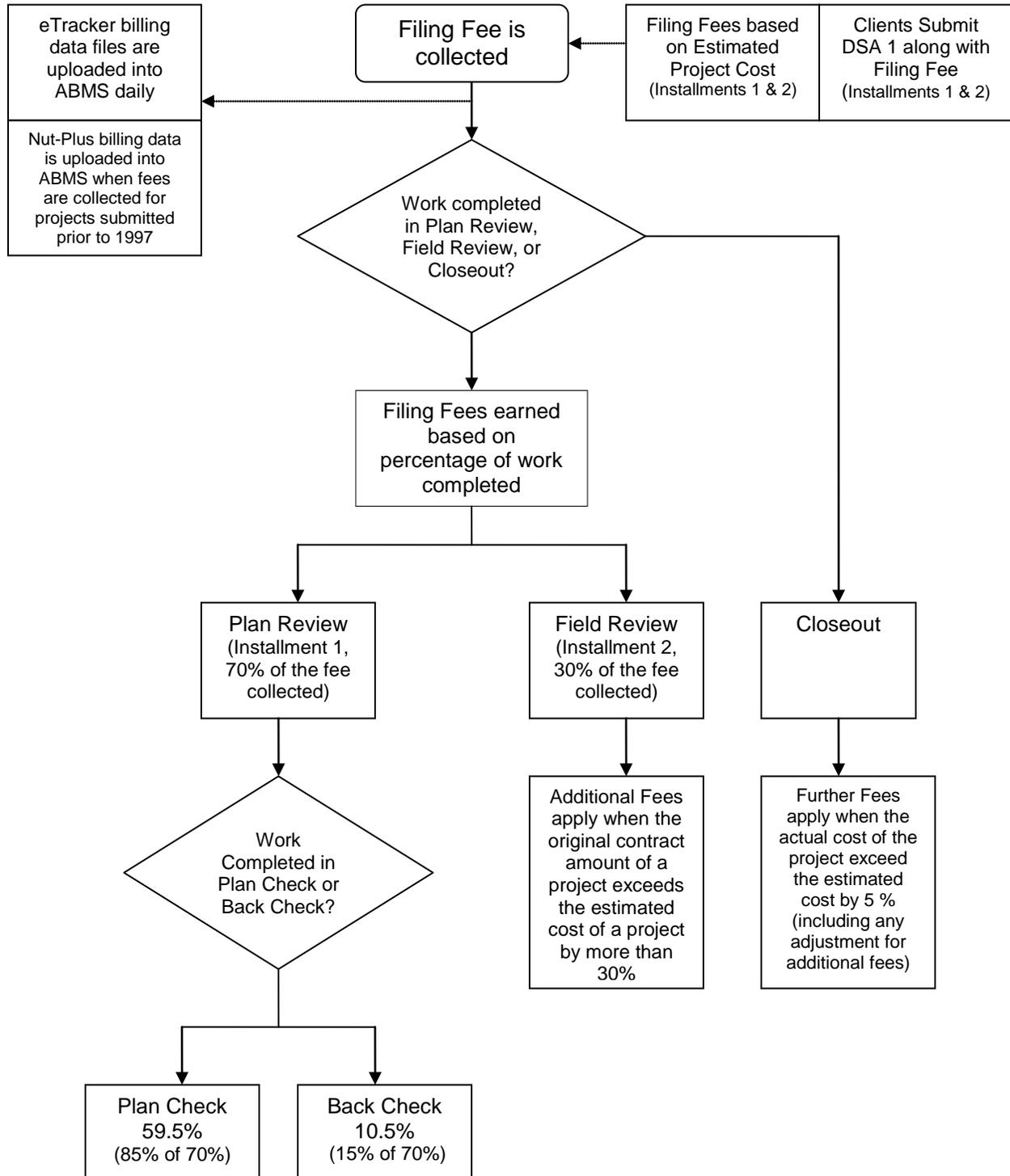
⁵ Fee Published on the DSA website.

⁶ Fee is not published on the DSA website.

⁷ Per DSA internal policy.

APPENDIX B

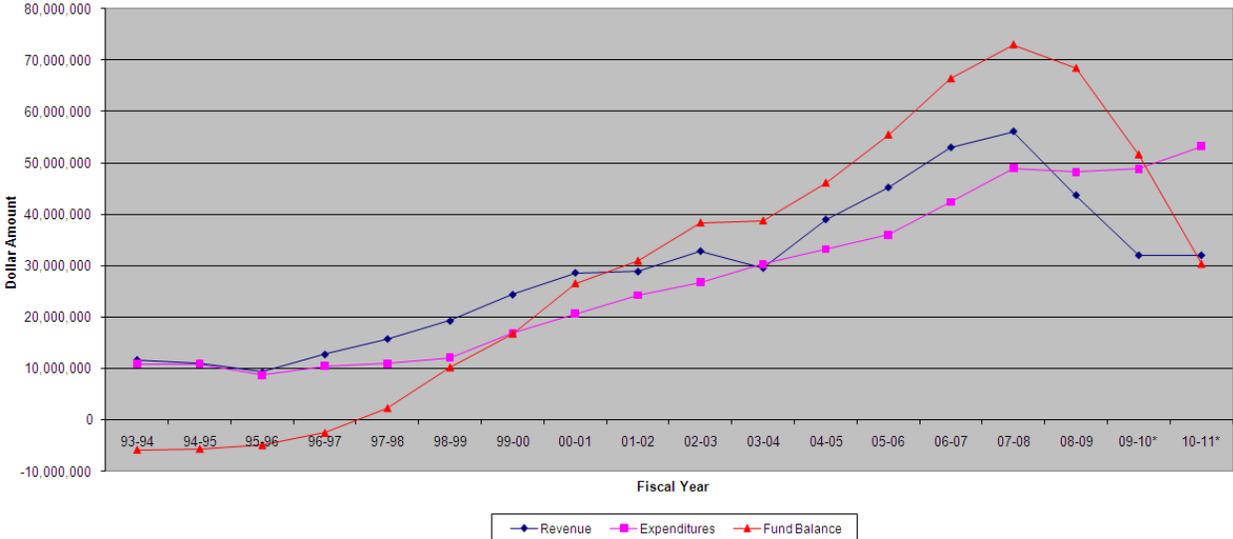
PLAN AND FIELD REVIEW REVENUE PROCESS



APPENDIX C

REVENUES, EXPENDITURES, AND FUND BALANCE

Revenues, Expenditures, and Fund Balance-Trends
 Fund 0328
 Fiscal Years 1993-94 through 2010-11



Source: DGS revenues and expenditures reports
 *Estimated revenues and expenditures per DGS/DSA.
 The fund balance for 2008-09 through 2010-11 includes the \$60 million loaned to the general fund.

APPENDIX D

REVENUES AND EXPENDITURES

Summary of Revenues and Expenditures Fund 0328 Fiscal Years 2004-05 through 2008-09

Revenues	2004-05	2005-06	2006-07	2007-08	2008-09	Percent Change 04-05 to 08-09	Dollar Change 04-05 to 08-09
K-12 and Community Colleges (Project Fees)	\$37,990,299	\$39,359,006	\$48,171,695	\$51,053,083	\$41,534,549	9%	\$3,544,250
DSA Academy	0	0	138,950	306,150	338,150	NA	338,150
Certified Inspector Program	0	0	0	225,720	234,650	NA	234,650
Interest	741,207	5,517,131	4,459,849	4,135,876	1,260,651	70%	519,444
Other Revenue*	231,092	310,179	204,554	364,373	320,423	39%	89,331
Total	\$38,962,598	\$45,186,316	\$52,975,048	\$56,085,202	\$43,688,423	12%	\$4,725,825

Source: DGS revenues reports

NA: Percent change could not be determined because of \$0 amount in 2004-05.

*Other Revenue includes fees for laboratory evaluations and essential services buildings.

Expenditures	2004-05	2005-06	2006-07	2007-08	2008-09	Percent Change 04-05 to 08-09	Dollar Change 04-05 to 08-09
Personnel Services	\$18,173,152	\$19,464,738	\$23,909,878	\$30,092,750	\$29,879,628	64%	\$11,706,476
Facilities Operations	2,373,481	3,096,904	3,109,795	2,920,841	2,788,135	17%	414,654
Contracts/Procurement - Interdepartmental	944,583	974,748	2,312,349	1,975,374	2,134,299	126%	1,189,716
Contracts/Procurement - External	7,522,175	8,145,468	6,981,385	8,413,422	5,678,663	-25%	(1,843,512)
DGS Allocated Overhead	1,974,000	1,526,000	1,735,000	1,990,000	3,468,000	76%	1,494,000
Other Expenditures*	2,244,172	2,769,531	4,286,824	3,578,779	4,289,634	91%	2,045,462
Total	\$33,231,563	\$35,977,389	\$42,335,231	\$48,971,166	\$48,238,359	45%	\$15,006,796

Source: DGS expenditures reports

*Other Expenditures includes general office expenses, equipment, travel, training, data processing, and central administrative services

APPENDIX E

PROJECT CLOSEOUT OPTIONS

Closeout Option	Corresponding Certification Letter Type	Additional Guidance
1	Certification and Close of File	All required documents received, all fees paid
2	Certification and Close of File Per Education Code 39157(b)	Caused by any alternate documentation submitted and accepted in lieu of the required documents
3	Close of File without Certification or Unpaid Fees—Exceptions	Missing documents or unpaid fees prevent certification
4	Close of File without Certification—Deficiencies	Safety or code deficiencies
Cancel	Close of File without Certification—Cancellation of the DSA Application Number	Application cancelled by the district
Void	Close of File without Certification—Void DSA Application Number	Application voided by DSA

Source: DSA Project Certification Guide, October 2008

Date: March 26, 2010

To: David Botelho, CPA, Chief
Department of Finance
Office of State Audits and Evaluations
300 Capitol Mall, Suite 801
Sacramento, CA 95814

From: Ronald L. Diedrich, Acting Director
Department of General Services

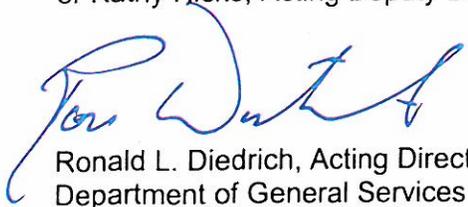
Subject: **RESPONSE TO OFFICE OF STATE AUDITS AND EVALUATIONS'
REVIEW OF FUND 0328**

Thank you for the opportunity to respond to your review of the Public School Planning, Design, and Construction Review Revolving Fund (Fund 0328), which is used to fund programs and activities administered by the Division of the State Architect (DSA). The report identifies a number of areas for improvement in the administration of Fund 0328.

Attached is a response from the DSA that addresses each of the recommendations presented in the report. As noted in its response, the DSA is firmly committed to establishing and maintaining adequate and effective systems of internal accounting and administrative controls over its operations. As part of its continuing efforts to improve these systems, the DSA is taking appropriate actions to address the issues presented in the report.

It should be noted that the DSA's organizational structure was revised in January 2010 to place additional emphasis on the administrative and financial aspects of operations. As part of this process, a highly experienced State manager was appointed as DSA's Acting Deputy Director to oversee the division's program, administrative and fiscal operations. I have complete confidence that this manager will ensure that the areas for improvement presented in the report will be fully addressed.

If you need further information or assistance on this issue, please contact me at (916) 376-5012, or Kathy Hicks, Acting Deputy Director, DSA, at (916) 445-4167.



Ronald L. Diedrich, Acting Director
Department of General Services

Attachment

cc: Stephen Amos, Chief Deputy Director
David Thorman, State Architect
Kathy Hicks, Acting Deputy Director, DSA



MEMORANDUM

Date: March 26, 2010

To: Ronald L. Diedrich, Acting Director
Department of General Services
707 3rd Street, 8th Floor
West Sacramento, CA 95605

From: Department of General Services
Division of the State Architect

Subject: **RESPONSE TO REVIEW OF PUBLIC SCHOOL PLANNING, DESIGN,
AND CONSTRUCTION REVIEW REVOLVING FUND (FUND 0328)**

In a letter dated February 25, 2010, the Department of Finance, Office of State Audits and Evaluations (OSAE), transmitted a draft report containing the results of its review of the Department of General Services (DGS), Division of the State Architect's (DSA's) Public School Planning, Design, and Construction Review Revolving Fund (Fund 0328). The following response addresses each of OSAE's recommendations.

OVERVIEW OF THE REPORT

The DSA appreciates OSAE's in-depth and professional review of Fund 0328 activities. The OSAE's recommendations have merit and will be promptly addressed.

In summary, the OSAE concluded that, in most instances, the DSA is assessing and collecting fees in accordance with applicable statutes, regulations and policies. However, it also observed that additional actions need to be taken to ensure that fees are adequately structured, billed, recorded and collected. Further, additional actions need to be taken to ensure that program costs are accurately reported, recorded, allocated and controlled.

The primary concern raised by OSAE involves the adequacy of the current fee structure, which is provided for in statute and regulation, used for structural safety, fire and life safety, and construction oversight services provided by the DSA for kindergarten through twelfth (K-12) grade public school and community college construction projects. Although finding that the DSA is calculating fees in accordance with applicable statutes and regulations, because the fees are calculated based on a percentage of construction costs, the OSAE concluded that the assessed fees do not correlate with the DSA's costs of providing the related services. Consequently, the current fee structure resulted in \$68 million¹ being accumulated in the fund as of June 30, 2009.

¹ Comprised of a Fund 0328 fund balance of \$8 million and a reserve for General Fund loan amount of \$60 million.

Although the DSA agrees that the adequacy of the current fee structure needs to be fully analyzed and justified, and is committed to doing so, the DSA would point-out that the current methodology of using a percentage of construction costs as a basis for charging for plan review and oversight services is standard industry practice used by other State and local governmental entities that provide similar services. At the DSA, this fee structure has been used since at least the early 1980s and has resulted in the maintenance of fiscal solvency over various operating and business cycles.

The large balance in the fund is the result of a combination of factors that is drastically different today. The last ten years represented a period of high client demand to meet a robust school construction environment with a constantly increasing construction cost index paired with high vacancy rates for the DSA professional/technical plan review and construction oversight staff because of pay scales that were lower than comparable private industry jobs. As a result of the historical vacancy rates, a significant portion of the revenue collected to date will be needed to cover the costs associated with certifying the backlog of over 20,000 construction projects that have been closed without certification. Additionally, in the last five years the lack of parity in the architecture and engineering classification pay scales have been corrected such that the DSA will be covering increased salary costs at a time when both client demand for services and the cost of construction are declining significantly.

As to program costs, OSAE's primary observation relates to the failure of the DSA's cost reporting system to track costs in sufficient detail to enable management to identify the specific costs of services by program. The DSA is in the process of establishing a Performance Metrics Unit that will be tasked with developing both performance-based and cost-based productivity and outcome measures for all of the division's programs.

RECOMMENDATIONS

REVENUES

Observation 1: Fee Structures Do Not Reflect the Cost of Providing Services

RECOMMENDATION A: *Develop fee structures based on the cost of providing services.*

DSA RESPONSE A:

The new Performance Metrics Unit will be tasked with working with Fiscal Services Staff to analyze the existing fee structures and schedules for each of the DSA services provided to the California public and applicant school districts without a fee or direct billing, including, but not limited to the following services: implementing California building code standards for public schools (with a focus on structural, fire and life safety, and accessibility), interpreting building code standards and regulations and resolving disputes, assessing new construction practices and material for code compliance, creating and maintaining California's Seismic Safety Inventory.

There are several contributing factors that create a disparity between revenues and expenditures, and these factors can compound each other in some cases. The primary impacts

at this time to earnings are both declining construction costs and significantly increased expenditures. Fluctuations in estimated project cost due to variations in the cost of construction influence the amount of fees collected which directly impacts future revenue earnings. The fund balance noted by the OSAE occurred during an economic boom cycle with a historic increase in both construction volume and costs. For example, a project previously estimated to cost \$2.5 million generated \$14,500 in fees, while the same project is likely to generate only \$11,000 in fees currently because the estimated project cost had dropped to \$1.8 million. Unfortunately for the DSA, the amount of work that it will have to do on the project remains the same and the staffing costs have increased, i.e., expenditures associated with DSA services have increased by over forty-five percent in the last five years as a result of salary and wage increases for Professional Engineers in California Government union members.

RECOMMENDATION B: *Ensure the methodology for each fee structure is adequately supported with detailed documentation, analysis, and formal legal opinions. Furthermore, formal legal opinions should be obtained for policy decisions that significantly affect the DSA's costs and/or fees prior to implementation.*

DSA RESPONSE B:

The DSA will ensure that future fee development processes will be adequately supported as recommended by the OSAE. DSA staff searched material extensively at Headquarters, the Sacramento Regional Office, the State Library, and the State Archives for historical basis information related to each fee collected by the DSA. Staff determined that the current fee schedules for the two primary operating funds (Fund 0328 and Fund 0006) have been in place since 1981 and 1984, respectively. In addition, in the mid 1990's, the DSA plan review services expanded to include compliance with fire and life safety code requirements for K-12 public school and community college construction projects. Additionally, University Enterprises, Inc. (CA State University, Sacramento) consultants conducting an organizational assessment of the DSA indicated that the DSA's funding model and practices are consistent with industry standards.

RECOMMENDATION C: *Consider revising the regulations so that new fee structures can be implemented with annual adjustments to reflect changes in workload, the construction market, the DSA's costs, and other relevant factors.*

DSA RESPONSE C:

The DSA will continue to pursue statutory and regulatory revisions that align fee structures for the numerous services provided by the organization with a cost based formula that can be adjusted annually to reflect changes in workload, costs of construction, union negotiated labor costs, and other relevant factors. For example, the DSA will likely pursue removing explicit fee structure and rate references in the Education Code in order to establish a more dynamic and regulatory driven process that is more responsive to changes associated with the various services provided to clients.

Observation 2: Some Fees May Not Be Billed for Uncertified Closed Projects

RECOMMENDATION: *Revise the regulations to include financial penalties for clients that fail to file required documents, report incorrect construction costs, or do not meet safety or code requirements. Financial penalties will provide an incentive for clients to ensure the required documents are submitted to the DSA. Receipt of the required documents will allow the DSA to calculate whether additional fees are due and bill clients accordingly.*

DSA RESPONSE:

In March 2009, the DSA enacted program changes to close out and certify projects as code compliant timelier, identifying over 20,000 projects previously closed without certification. Non-certified school facilities subject the local school board members to personal liability in the event of a catastrophic event. The close out process and certification activities are unbilled services and must be paid for from revenue previously earned during the plan review and oversight phases. The DSA concurs with the OSAE that financial incentives may persuade clients to provide documents and has already imposed additional file re-opening fees.

Observation 3: Information System Errors Impact Revenue Collection and Accounting

RECOMMENDATION A: *Research and resolve all eTracker variances and reconciling items timely.*

DSA RESPONSE A:

In late 2009, the DSA formed a workgroup that was tasked with identifying and correcting the noted discrepancies in cash collected in advance (unearned revenue). The workgroup has been reconciling a fluctuating variance between the Department's Activity Based Management System (ABMS) accounting database and the Division's e-Tracker project management database system. The e-Tracker database system was originally designed as a project management tool, not an accounting system. Programming changes are being made to the e-Tracker system to correct the problem. The changes are expected to be completed by July 1, 2010.

RECOMMENDATION B: *Correct the eTracker system errors to ensure the system is operating properly and recording the financial information accurately.*

DSA RESPONSE B:

Corrective remedies to capturing the financial information accurately have been identified and permanent programming solutions in the e-Tracker database are expected to be completed by July 1, 2010. The programming changes were initially delayed as the DSA was waiting for the system that supports the e-Tracker database to be converted to the Dot Net system. 22

RECOMMENDATION C: *Conduct periodic tests of the eTracker system to verify data integrity.*

DSA RESPONSE C:

The DSA issued a policy and procedure memorandum on February 19, 2010, instituting a process to review and validate e-Tracker database data entry activities on a weekly basis. This new process will be evaluated for adequacy as corrective solutions are implemented pertaining to the prior recommendations.

Observation 4: Inequitable Refund Policies and Further Fee Structure

RECOMMENDATION A: *Revise the regulations and procedures to ensure that refund policies are equitable to both the DSA and clients.*

DSA RESPONSE A:

The DSA agrees that there is a need to revisit the current refund policy and to ensure that it is equitable. However, prior to changing the refund policy, the DSA needs to ensure that the fee structures for the numerous services provided by the organization are appropriately implemented that reflect a cost-based formula which can be adjusted annually to reflect changes in workload, costs of construction, union negotiated labor costs, and other relevant factors.

RECOMMENDATION B: *Revise the regulations to establish a minimum dollar threshold rather than a percentage threshold for assessing further fees.*

DSA RESPONSE B:

The DSA has previously sought similar statutory changes and will continue to pursue options associated with this issue. The DSA will pursue these changes concurrently with the efforts to ensure that the fee structures are appropriate.

Observation 5: Accounts Receivable Collection Efforts Need Improvement

RECOMMENDATION A: *Timely collect all outstanding receivables.*

DSA RESPONSE A:

The DSA Headquarters Fiscal and Legislative Services Unit in conjunction with the DSA Statewide Business Services Team, Business and Contract Services Unit and Regional Offices are in the process of assessing the current practices of the four DSA Regional Offices to formulate standardized collection procedures to ensure compliance. The DSA Fiscal and

Legislative Unit initiated a survey of all DSA Regional Offices through a memorandum dated December 22, 2009, seeking detailed accounts receivable processes and procedures. The information gained through the survey responses will facilitate the assessment of accounts receivable compliance in association with the State Administrative Manual. The survey will also identify other standards to identify the appropriate corrective actions within each regional office to maximize collections while minimizing disruptions to operational efficiency.

RECOMMENDATION B: *Revise the regulations to include financial penalties for clients that fail to pay receivables timely.*

DSA RESPONSE B:

The DSA is reviewing practices and procedures under the State Administrative Manual guidelines, including penalty assessments and will update current collection procedures by July 1, 2010. Where appropriate, the BSA will pursue statutory and/or regulatory remedies.

EXPENDITURES

Observation 6: Inadequate Cost Reporting System

RECOMMENDATION A: *Develop a cost reporting system that accurately tracks all costs and revenue by specific program at the level of detail needed to develop appropriate fee structures.*

DSA RESPONSE A:

The DSA is currently working to align existing cost centers associated with various programs to ensure appropriate accounting of costs and is targeting Fiscal Year 2010-11 for implementation (Estimated implementation by July 1, 2010).

RECOMMENDATION B: *Consider tracking revenue and expenditures for each school construction project to identify the average project cost and significant cost overruns.*

DSA RESPONSE B:

The DSA is considering and studying the feasibility of this recommendation. The DSA has attended exploratory meetings with ABMS and e-Tracker database administrators regarding capabilities and limitations.

RECOMMENDATION C: *Review the policy for charging hours to general assignment codes and determine if those hours can be charged to specific school construction projects.*

DSA RESPONSE C:

The DSA agrees that, in many instances, this recommendation has merit and is studying the options for changing the ABMS and e-Tracker databases. As noted above, the DSA is making changes to align existing cost centers associated with various programs to ensure appropriate accounting of costs. This represents just the beginning of a process change that will be monitored, reassessed, and corrected as necessary moving forward.

Observation 7: Inequitable Cost Allocations

RECOMMENDATION A: *Review administrative personnel duties, develop an equitable methodology to allocate administrative personnel costs to both funds, and document the methodology.*

DSA RESPONSE A:

The DSA had previously been aware of these issues and taken corrective actions prior to OSAE's review of Fund 0328. The Disability Access Account (Fund 0006), established through Government Code Section 4454, must generate sufficient revenue prior to equitably distributing expenditures between the two funds. In early 2009, DSA completed an analysis of the fee structure and rates pertaining to Fund 0006 established for accessibility code development and plan review activities. The analysis supported at least a doubling of the fees, which had remained unchanged for over 21 years, in order to maintain service levels and redistribute general costs between the two primary operating special funds. Based on support from the State and Consumer Services Agency, the California Building Standards Commission adopted a California Building Code (Title 24) regulatory change which increased the fee schedule rates for Fund 0006, effective February 16, 2010. With an increase in revenue, the DSA can begin the redistribution of costs between operating funds; which is anticipated to occur in Fiscal Year 2010-11.

The DSA had been internally advised that administrative personnel costs could not be distributed due to lack of access to a Plan of Financial Adjustment (PFA). It was explained that because the special funds (Fund 0006 and Fund 0328) are continuously appropriated, DSA had to directly charge payroll and could not use the DGS' clearing account (Fund 0666). In December 2009, a request to establish a PFA specifically for DSA was made to the State Controller's Office (SCO). The SCO on February 5, 2010 responded advising that continuously appropriated funds which support the DSA within the DGS can be included in the DGS' PFA. Payroll expenditures can initially be charged to DGS' clearing account (Fund 0666) and then cost allocated through the PFA process. Currently, the DSA is taking steps to establish an appropriate system to distribute administrative overhead expenses with targeted implementation in Fiscal Year 2010-11.

RECOMMENDATION B: *Develop, document, and implement an equitable cost allocation for DSA indirect costs.*

DSA RESPONSE B:

The DSA is committed to developing, documenting, and implementing an equitable cost allocation for its indirect costs. The DSA is also actively participating in DGS' chartered committees that are tasked with obtaining department-wide overhead costs and identifying operating inefficiencies that can be eliminated to reduce costs.

RECOMMENDATION C: *The DSA and DGS should review and revise the DGS overhead allocation to ensure indirect costs charged to Fund 0328 are equitable.*

DSA RESPONSE C:

As indicated above, the DSA is actively participating in DGS sponsored charter committees related to indirect overhead issues.

RECOMMENDATION D: *Reimburse Fund 0328 for loaned employee salary and benefits.*

DSA RESPONSE D:

The DSA continues to assess the individual merits of loaned positions for program support and, where possible, is reducing the number and/or is seeking reimbursement. During the period of this audit, DSA negotiated the return of several loaned positions. Entities that have utilized the DSA loaned positions have submitted budget change proposals through the normal statewide budget process to establish position and expenditure authority for their operations to be funded out of other fund sources.

Observation 8: Contracting Controls Need Improvement

RECOMMENDATION: *Ensure all EVS are approved prior to contract negotiations, EVS templates are standardized and methodology supporting contract rates is documented.*

DSA RESPONSE:

The DSA Operations Deputy reminded the Regional Managers through memorandums dated January 11, 2008 and March 28, 2008 of their respective responsibilities for fully complying with the policies and procedures regarding the handling of retainer contract amendments and the rotational process for selecting contractors.

The DSA Headquarters Business and Contract Services Unit staff has updated procedures for processing retainer contract amendments to include developing the Estimated Value of Services (EVS) prior to negotiating with potential contractors and providing justification when the proposal is the exact amount as the EVS. DSA Headquarters Business and Contract Services Unit staff monitors each amendment received to verify compliance with the new process prior to issuing the amendment. The new procedures have been discussed with the DSA's Regional Managers and distributed via e-mail dated June 30, 2009.

CONCLUSION

The DSA is firmly committed to establishing and maintaining systems of internal accounting and administrative controls which provide reasonable assurance that financial operations are conducted in full accordance with State requirements. As part of its continuing efforts to improve these systems, the DSA will take appropriate actions to address the issues presented in the report.

If you need further information or assistance on this report, please contact me at (916) 445-4167.



KATHY HICKS, Acting Deputy Director
Division of the State Architect

cc: Stephen Amos, Chief Deputy Director
David Thorman, State Architect