



MEMORANDUM

Date: February 6, 2012

File No.: 0124

To: Kristine Cazadd, Executive Director
State Board of Equalization
400 N Street
Sacramento, CA 95814

From: Department of General Services
Office of Audit Services

**Subject: AUDIT REPORT: COMPLIANCE WITH STATE BUSINESS
MANAGEMENT POLICIES**

Attached is the final report on our compliance audit of the business management functions and services of the State Board of Equalization (BOE). The objective of our audit was to determine compliance with policies set forth in the State Administrative Manual, and the terms and conditions of any specific delegations of authority or exemptions from approval granted by the Department of General Services.

As noted in the report, we concluded that the BOE is conducting its business management functions and services in compliance with State requirements.

We greatly appreciated the cooperation and assistance provided by the BOE's personnel.

If you have any questions, please call me at (916) 376-5058, or Dennis Miras, Audit Supervisor, at (916) 376-5064.

A handwritten signature in black ink, appearing to read 'Rick Gillam', is written over a light blue horizontal line.

RICK GILLAM, CPA, CIA
Chief, Office of Audit Services

Attachment

cc: Liz Houser, Deputy Director, Administration Department
Christine Demes, Chief, Administrative Support Division
Caroline Cabias, Chief, Financial Management Division
Lisa Fien, Chief, Human Resources Division
Mike Skikos (A), Chief, Internal Security and Audit Division

**STATE AND CONSUMER SERVICES AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
STATE BOARD OF
EQUALIZATION**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 0124**

OFFICE OF AUDIT SERVICES

NOVEMBER 2010

STATE BOARD OF EQUALIZATION
COMPLIANCE AUDIT
REPORT NO. 0124

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: February 6, 2012

TO: **KRISTINE CAZADD**, Executive Director
State Board of Equalization

This report presents the results of our compliance audit of the business management functions and services of the State Board of Equalization (BOE). These audits are routinely performed under the authority granted to the Department of General Services (DGS) by Government Code Sections 14615 and 14619. The objective of our audit was to determine compliance with policies set forth in the State Administrative Manual, and the terms and conditions of any specific delegations of authority or exemptions from approval granted by the DGS.

As applicable, the scope of our audits of State agencies includes, but is not limited to, compliance with policies governing contracting, fleet administration, small business and disabled veteran business usage, driver safety and insurance, records and forms management, surplus property, real estate and prompt payment of suppliers. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

Based the results of our fieldwork conducted over the period June 15, 2010 through November 2, 2010, we concluded that the BOE is conducting its business management functions and services in compliance with State requirements.

During our review we identified a number of areas of improvement with the BOE's policies and procedures. Since these areas were not significant to the overall business management functions and services of the BOE, they are not discussed in this report. However, they were discussed with appropriate BOE management personnel who indicated that our concerns would be addressed.

To determine compliance, we reviewed policies and procedures, interviewed parties involved, tested records and transactions and performed other tests as deemed necessary. The period covered by our testing varied depending upon the area of review and the type of transactions involved; however, the emphasis of our review and testing was with current procedures and transactions completed during the 2009/10 and 2010/11 fiscal years.

We greatly appreciated the cooperation and assistance provided by the BOE's personnel.

If you need further information or assistance on this report, please contact me at (916) 376-5058, or Dennis Miras, Audit Supervisor, at (916) 376-5064.



RICK GILLAM, CPA, CIA
Chief, Office of Audit Services

Staff: Dennis Miras, Audit Supervisor
Christopher Harris
Amalia Sanchez

cc: Liz Houser, Deputy Director, Administration Department
Christine Demes, Chief, Administrative Support Division
Caroline Cabias, Chief, Financial Management Division
Lisa Fien, Chief, Human Resources Division
Mike Skikos (A), Chief, Internal Security and Audit Division