DGS
GENERAL SERVICES

MEMORANDUM

Date: June 24, 2013 File No.: 1123

To: Major General Anthony L. Jackson, USMC (Ret), Director
Department of Parks and Recreation
1416 9th Street, Room 1405
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 Department of Parks and Recreation (DPR). 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 DPR is conducting its business management functions and services in compliance with state requirements.

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

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

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

Attachment

cc: Angela Verbaere, Deputy Director, Administrative Services
Kristal Brown, Chief, Business Management Services
Timothy Wood, Manager, Business Management Services
Arthur Lee, Chief, Audits Office

STATE AND CONSUMER SERVICES AGENCY

DEPARTMENT OF GENERAL SERVICES

AUDIT OF THE DEPARTMENT OF PARKS AND RECREATION

FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 1123

OFFICE OF AUDIT SERVICES

JANUARY 2012

DEPARTMENT OF PARKS AND RECREATION
COMPLIANCE AUDIT
REPORT NO. 1123

TABLE OF CONTENTS

	PAGE
AUDITOR'S REPORT	1

STATE OF CALIFORNIA

DEPARTMENT OF GENERAL SERVICES

AUDITOR'S REPORT

DATE: June 24, 2013

TO: **MAJOR GENERAL ANTHONY L. JACKSON, USMC (Ret)**, Director
Department of Parks and Recreation

This report presents the results of our compliance audit of the business management functions and services of the Department of Parks and Recreation (DPR). 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 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 and real estate. To avoid duplication of work, our review did not include detailed testing of DPR's contracting program. As a condition of DPR's exemption from DGS' approval of its contracts under $75,000, DPR's Audits Office periodically conducts audits of the contracting program. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

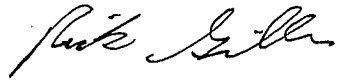
Overall, we concluded that DPR is conducting its business management functions and services in compliance with state requirements. However, we did identify a number of areas for improvement with those functions and services. These matters included our concern that business management policies and procedures were not ensuring the: (1) timely reporting of motor vehicle accidents; (2) proper approval and prompt disposal of surplus personal property; and, (3) completion and annual update of a vehicle certification form by employees who use their own vehicle to conduct state business.

Prior to the completion of our audit, DPR's management indicated that appropriate actions would be taken to address the above issues. DPR is responsible and accountable for adequately and effectively addressing the issues. We were pleased with DPR's commitment to improve compliance with state requirements.

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 2010/11 and 2011/12 fiscal years.

We greatly appreciated the cooperation and assistance provided by DPR'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
Rhonda Owen

cc: Angela Verbaere, Deputy Director, Administrative Services
Kristal Brown, Chief, Business Management Services
Timothy Wood, Manager, Business Management Services
Arthur Lee, Chief, Audits Office