DGS
GENERAL SERVICES

MEMORANDUM

Date: August 22, 2014 File No.: 4166

To: J. Clark Kelso, Receiver
California Correctional Health Care Services
P.O. Box 588500
Elk Grove, CA 95758

From: **Department of General Services**
Office of Audit Services

Subject: **QUALITY CONTROL REVIEW OF CONTRACT APPROVAL EXEMPTION AUDIT**

This report presents the results of our quality control review of an audit conducted of the California Correctional Health Care Services' (CCHCS) contracting program. The audit was conducted by CCHCS' Internal Audit Program office.

As a condition of CCHCS' exemption (Exemption Letter No. CPHCS1) from the Department of General Services' (DGS) approval of its contracts under $75,000, two audits were required to be performed of the department's contracting program during the exemption period of August 1, 2009 through July 31, 2013. On July 31, 2013, the Internal Audit Program issued an audit report which presented the results of the second audit required under the terms of the exemption. Public Contract Code Section 10352 requires DGS to perform a quality control review of the audit.

The objectives of our quality control review were to determine: (1) if the audit was conducted in accordance with an audit guide issued by DGS; and, (2) if reported findings are being appropriately addressed by CCHCS' management. Based on our interviews of audit staff and review of the working papers prepared to support audit tests, and our performance of other procedures as deemed necessary, we concluded that the audit was conducted in accordance with DGS' audit guide and that management indicated a commitment to take appropriate actions to address reported findings.

We greatly appreciated the cooperation and assistance provided by CCHCS' audit staff.

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

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

cc: David Zocchetti, Deputy Director and Chief Counsel, Office of Legal Services, DGS
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