DGS
GENERAL SERVICES

MEMORANDUM

Date: April 24, 2014 File No.: 3121

To: Kathleen Hrepich, Interim Director
Department of Child Support Services
P.O. Box 419064
Rancho Cordova, CA 95741-9064

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 Child Support Services (DCSS). 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 DCSS is conducting its business management functions and services in compliance with state requirements.

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

If you have any questions, please call 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

Attachment

cc: Susan Turek, Interim Chief Deputy Director
Linda Adams, Deputy Director, Administrative Services Division
Karen Dailey, Audit Manager, Office of Audits and Compliance

STATE AND CONSUMER SERVICES AGENCY

DEPARTMENT OF GENERAL SERVICES

AUDIT OF THE DEPARTMENT OF CHILD SUPPORT SERVICES

FOR COMPLIANCE WITH STATE BUSINESS MANAGEMENT POLICIES
REPORT NO. 3121

OFFICE OF AUDIT SERVICES

JULY 2013

DEPARTMENT OF CHILD SUPPORT SERVICES
COMPLIANCE AUDIT
REPORT NO. 3121

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STATE OF CALIFORNIA

DEPARTMENT OF GENERAL SERVICES

AUDITOR'S REPORT

DATE: April 24, 2014

TO: **Kathleen Hrepich**, Interim Director
Department of Child Support Services

This report presents the results of our compliance audit of the business management functions and services of the Department of Child Support Services (DCSS). 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 enterprises usage, driver safety and insurance, records and forms management, surplus property and real estate. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

Based on the results of our fieldwork conducted over the period January 9, 2013 through July 2, 2013, we concluded that DCSS 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 attendance of a defensive driver training course by frequent drivers and the 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, we verified that appropriate actions had been or were being taken to address the above issues. Therefore, they are not further discussed in this report.

We are pleased with the prompt actions taken by DCSS to address findings identified during our audit fieldwork. However, we did not perform effectiveness tests to determine whether the corrective actions were functioning as intended. DCSS' management has the ongoing responsibility for ensuring that its business management policies and procedures are functioning as prescribed and are modified, as appropriate, for changes in conditions.

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 2012/13 fiscal year.

We greatly appreciated the cooperation and assistance provided by DCSS' 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
Amalia Sanchez

cc: Susan Turek, Interim Chief Deputy Director
Linda Adams, Deputy Director, Administrative Services Division
Karen Dailey, Audit Manager, Office of Audits and Compliance