DGS

MEMORANDUM

Date: August 25, 2009 File No.: 9173

To: George Valverde, Director
Department of Motor Vehicles
2415 First Avenue
Sacramento, CA 95818

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 internal audit conducted of the Department of Motor Vehicles' (DMV) contracting program. The audit was conducted by DMV's Internal Audit Branch (IAB).

As a condition of DMV's exemption (Exemption Letter No. DMV1) 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 January 1, 2005 through December 31, 2008. On December 29, 2008, the IAB 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 the DGS to perform a quality control review of the audit.

The objectives of our quality control review were to determine: (1) if the internal audit was conducted in accordance with an audit guide issued by the DGS; and, (2) if reported findings are being appropriately addressed by DMV's 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 the 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 DMV's 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, CPA, CIA
Chief, Office of Audit Services

cc: Jose Aguirre, Deputy Director and Chief Counsel, Office of Legal Services, DGS
Pam Mizukami, Acting Deputy Director, Administrative Services Division, DMV
Jeannie Jones, Acting Chief, Business Management Branch, DMV
Christiana Mbome, Manager, IAB, DMV