



MEMORANDUM

Date: May 15, 2019 File No.: 9179

To: Mr. David Hochschild, Chair
Mr. Drew Bohan, Executive Director
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

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 California Energy Commission's (CEC) contracting program. The audit was conducted by the Commission's Office of Audits, Investigations, and Program Review (AIPR).

As a condition of CEC's exemption (Exemption Letter No. 60.06) from the Department of General Services' (DGS) approval of its contracts under \$150,000, two audits are required to be performed of the department's contracting program during the exemption period of October 1, 2016 through September 30, 2020. On March 15, 2019, the AIPR issued an audit report which presented the results of the first 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 are to determine: (1) if the internal audit was conducted in accordance with an audit guide issued by DGS; and, (2) if reported findings are being appropriately addressed by CEC'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 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 CEC's audit staff.

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

A handwritten signature in blue ink, appearing to read 'Andy Won', is written over a light blue circular stamp.

ANDY WON
Deputy Director, Office of Audit Services

cc: Rob Cook, Deputy Director, Administration and Financial Services Division, CEC
Adrienne Winuk, Manager, Contracts, Grants, and Loans Office, CEC
Lisa Negri, Chief Auditor, Office of Audits, Investigations, and Program Review, CEC
Leslie Lopez, Deputy Director and Chief Counsel, Office of Legal Services, DGS