



MEMORANDUM

Date: May 31, 2019

File No.: 9125

To: Chris Shultz, Chief Deputy Director
Department of Consumer Affairs
1626 N. Market Blvd., Suite S-308
Sacramento, CA 95834

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 Consumer Affairs (DCA). 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 (DGS).

As noted in the report, we concluded that DCA is conducting its business management functions and services in compliance with state requirements.

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

If you need further information or assistance on this report, please call / e-mail me at (916) 376-5064 / Dennis.Miras@dgs.ca.gov, or Susan Mitchel, Management Auditor, at (916) 376-1909 / Susan.Mitchel@dgs.ca.gov.

Dennis M Miras

DENNIS M MIRAS, CIA
Manager, Office of Audit Services

Attachment

cc: Natalie Daniel, Deputy Director, Office of Administrative Services
Laura Sober, Business Services Officer
Steve Del Rio, Procurement and Contracting Officer
Lisa Hernandez, Facilities and Business Resources Officer

**GOVERNMENT OPERATIONS AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
DEPARTMENT OF
CONSUMER AFFAIRS**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 9125**

OFFICE OF AUDIT SERVICES

MARCH 2019

**DEPARTMENT OF CONSUMER AFFAIRS
COMPLIANCE AUDIT
REPORT NO. 9125**

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: May 31, 2019

TO: **CHRIS SHULTZ**, Chief Deputy Director
Department of Consumer Affairs

This report presents the results of our compliance audit of the business management functions and services of the Department of Consumer Affairs (DCA). 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 (SB) and disabled veteran business enterprises (DVBE) usage, driver safety and insurance, surplus property and real estate. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

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 2017/18 and 2018/19 fiscal years.

Based on the audit results of our fieldwork conducted over the period November 26, 2018 through March 27, 2019 we concluded that DCA is conducting its business management functions and services in compliance with state requirements.

We are pleased with how receptive and responsive DCA staff and management were to our suggestions for improvement and with the prompt actions taken and commitments made to address issues identified and discussed during our audit fieldwork. However, we did not perform subsequent effectiveness tests to determine whether the corrective actions were functioning as intended. DCA's 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.

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

If you need further information or assistance on this report, please contact me at (916) 376-5064, or Susan Mitchel, at (916) 376-1909.

Dennis M Miras

DENNIS M MIRAS, CIA
Manager, Office of Audit Services

Staff: Susan Mitchel, Management Auditor

cc: Natalie Daniel, Deputy Director, Office of Administrative Services
Laura Sober, Business Services Officer
Steve Del Rio, Procurement and Contracting Officer
Lisa Hernandez, Facilities and Business Resources Officer