



# MEMORANDUM

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**Date:** November 3, 2021

File No.: 2171

**To:** Karen Douglas, Commissioner  
Drew Bohan, Executive Director  
California Energy Commission  
715 P Street, MS 38  
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 CEC'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 25, 2021, the AIPR 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 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 Lucy Wong, Audit Manager, at (916) 376-5049.



ANDY WON  
Deputy Director, Office of Audit Services

cc: Rob Cook, Deputy Director, Administration and Financial Services Division, CEC  
Lisa Negri, Chief Auditor, Office of Audits, Investigations, and Program Review, CEC  
Jennifer Bollinger, Chief Counsel and Deputy Director, Office of Legal Services, DGS