


Introduction

This report summarizes the major findings and recommendations from audit and investigative reports that we issued from January 2009 through December 2010. The purpose of this report is to identify what actions, if any, these auditees have taken in response to our findings and recommendations. We have placed this symbol  in the margin of the auditee's action to identify areas of concern or issues that we believe an auditee has not adequately addressed. We have compiled and summarized the recommendations we directed to the Legislature in a separate report we issued in December 2010 (report number 2010-701).

This report is organized by policy areas that generally correspond to the Assembly and Senate standing committees. Under each policy area we have included audit report summaries that relate to an area's jurisdiction. Because an audit or investigation may involve more than one issue or because it may cross the jurisdictions of more than one standing committee, a report summary could be included in more than one policy area. For example, the Commission on State Mandates' report summary is listed under three policy areas—Appropriations; Business, Professions and Economic Development; and Local Government.

As shown in the Figure, the California State Auditor's Office (office) made 210 recommendations in audit reports and investigations that we issued from January 2009 through December 2010. Of those, agencies asserted that they have fully implemented 89 and partially implemented 63; however, for the remaining 58 recommendations we determined that agencies have taken no action for five, and corrective action is pending for 53 recommendations. Our audit efforts bring the greatest return when agencies act upon our findings and recommendations. As a result, we will continue to monitor these agencies' efforts to implement the recommendations that have not been fully implemented.

Figure
Overview of Recommendation Status

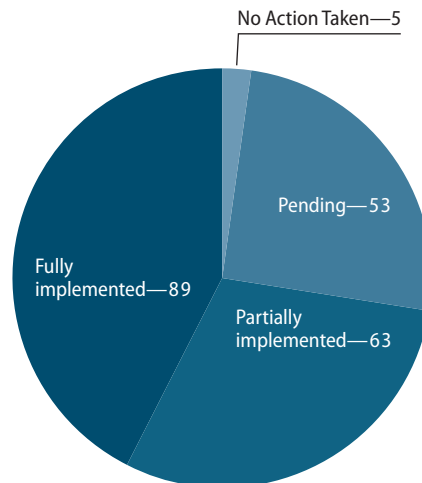


Table 1 beginning on page 3, summarizes the monetary value associated with certain findings from reports we issued during the period January 1, 2003, through December 31, 2010. We have grouped the monetary value into various categories such as cost recovery, cost savings, lost revenue, increased revenue, and wasted funds. We estimate that if auditees implemented our recommendations contained in these reports, they could realize more than \$1.2 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending. For example, in June 2010, we identified several opportunities for the Department of Public Health (Public Health) to increase revenue for the State and Federal Health Facilities Citation Penalties Accounts by seeking changes to state law and by ensuring it adheres to current law. The monetary penalty amounts specified in state law have not been updated regularly to reflect the rate of inflation. We determined that Public Health could have collected nearly

\$3.3 million more between July 1, 2003 and March 15, 2010, if the penalty amounts were updated regularly to reflect the rate of inflation. Additionally, current state law grants facilities an automatic 35 percent reduction in the monetary penalty amounts imposed by Public Health, if the facilities do not contest and pay the penalty amounts within time frames specified by law. Public Health inappropriately granted the reduction to some facilities that paid their monetary penalties after the time frame specified by law, depriving the state account of roughly \$70,000 in revenues that it was otherwise due.

Another example where revenue could be increased includes delays in taking steps to claim millions of dollars in overpayments counties have received from food stamp recipients. Specifically, the Department of Social Services (Social Services) delayed in seeking the State's \$12.5 million share of the \$42.1 million in food stamp overpayments that counties collected as of November 2009. In addition, because neither Social Services nor the federal government addressed this issue over a six-year period, we estimate that the State lost the opportunity to earn approximately \$1.1 million in interest on its share of the funds. As a result of our audit, Social Services indicates that it collected an adjusted total of \$39.8 million in food stamp overpayments as of June 2010. Further, Social Services recovered interest of \$466,000 by December 2010, and is working with counties to recover the remaining interest.

The office's policy requests that the auditees provide a written response to the audit findings and recommendations before the audit report is initially issued publicly. As a follow-up, state law requires the auditee to respond at least three times subsequently: at 60 days, six months, and one year after the public release of the audit report. However, we may request that an auditee provide a response beyond one year or initiate a follow-up audit if deemed necessary. In addition, California Government Code, Section 8548.9, requires us to produce an annual report regarding recommendations that state agencies have not fully implemented within a year of issuance. Accordingly, for those state agencies we determine have not fully implemented one or more recommendations within one year of the issuance of an audit report, we will follow up and request an update of each respective agency's plans to implement outstanding recommendations.

In addition to our audits, we issue investigative reports that include instances of improper governmental activities we have substantiated. The investigations publicly reported during 2009 and 2010 identified \$1.1 million of improper activities, including wasteful spending, improper overtime payments, improper gifts, and mismanagement of state resources and funds. For example, in April 2009 we reported that a high-ranking official formerly working for the Office of Spill Prevention and Response—part of the Department of Fish and Game (Fish and Game)—incurred \$71,747 in improper travel expenses. We recommended that Fish and Game seek to recover the amount it reimbursed the official for her improper travel expenses. In that same investigative report we reported that the Department of Corrections and Rehabilitation (Corrections) and the Department of General Services (General Services) wasted a total of \$580,000 in state funds by failing to terminate a lease for 5,900 square feet of office space that Corrections had left unoccupied for more than four years. We recommended that Corrections require its employees to confirm its leasing needs before submitting a request to General Services, and to review and approve required lease information to facilitate the process. We also recommended that General Services strengthen its oversight role to prevent state agencies from unnecessarily using leased space when state-owned space is available.

By making recommendations to shore up control weaknesses such as these in our investigations, it is our intent that state agencies avoid wasting state funds and resources in the future. Departments are required to report on the status of their corrective actions 60 days after we notify them of the improper activities related to an investigation, and every 30 days thereafter until all such corrective actions are complete.

Unless otherwise noted, we have not performed any type of review or validation of the corrective actions reported by the auditees. All corrective actions noted in this report were based on responses received by our office as of January 2011. Table 2 beginning on page 15, summarizes the status of agencies' efforts to implement our recommendations based on the most recent response received from each agency. Because an audit report's recommendations may apply to several policy areas, the agency's

status on implementing our recommendations may be represented in Table 2 more than once. For instance, the recommendations made to postsecondary educational institutions regarding their crime disclosure requirements are reflected under the policy areas for Higher Education and Public Safety.

Summary of Monetary Value Identified in Audit Reports Released From January 1, 2003, Through December 31, 2010

The following table shows approximately \$1.3 billion of monetary value associated with findings and recommendations we made in audits or investigations completed during the period January 1, 2003, through December 31, 2010. The table provides a brief description of the monetary values we found, such as potential cost recoveries, cost savings, increased revenues, lost revenues and funds wasted. Finally, many of the monetary values we have identified are not only one-time benefits, but could be realized each year for many years to come. This table reflects the cumulative impact of the monetary values identified.

Table 1
Monetary Values
January 1, 2003, Through December 31, 2010

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
July 1, 2010, through December 31, 2010		
2009-114 (July 2010)	<i>Department of General Services: It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises</i> Cost Savings—The Department of General Services (General Services) should identify new strategic sourcing opportunities and maximize savings to the State for future purchases. The savings for the state is currently unknown, but if General Services implements our recommendation, the savings will be quantifiable in the future.	
2010-106 (November 2010)	<i>Dymally-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs</i> Cost Savings—Some state agencies are not maximizing opportunities to reduce their costs to provide bilingual services by leveraging California Multiple Award Schedules contracts for interpretation and translation services.	\$47,000
Annualized carry forward for July 1, 2010, through December 31, 2010		\$86,360,500
2002-101 (July 2002)	California Department of Corrections	\$29,000,000
2002-009 (April 2003)	California Energy Markets	14,500,000
2002-118 (April 2003)	Department of Health Services	10,000,000
2003-106 (October 2003)	State Mandates	3,800,000
2003-125 (July 2004)	California Department of Corrections	10,350,000
2003-124 (August 2004)	Department of Health Services	2,300,000
12004-2 (September 2004)	Department of Health Services	4,500
12004-2 (September 2004)	Military Department	32,000
2004-105 (October 2004)	California Department of Corrections	145,000
12005-1 (March 2005)	California Department of Corrections and Rehabilitation	59,500
2004-113 (July 2005)	Department of General Services	18,000
2004-134 (July 2005)	State Athletic Commission	16,500
2004-125 (August 2005)	Department of Health Services	5,150,000
12005-2 (September 2005)	California Department of Corrections and Rehabilitation	96,500
12006-1 (March 2006)	Department of Fish and Game	4,150,000
2007-037 (September 2007)	Department of Housing and Community Development	19,000
12008-1 (April 2008)	California Department of Corrections and Rehabilitation	25,000

continued on next page . . .

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-1 (April 2008)	Department of Social Services	6,500
2007-122 (June 2008)	Department of Health Care Services	6,500,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	30,500
2009-043 (November 2009)	Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun	15,000
2009-030 (July 2009)	California State Bar	142,500
Total for July 1, 2010, through December 31, 2010		\$86,407,500
July 1, 2009, through June 30, 2010		
2009-112 (May 2010)	<i>Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits</i> Cost Avoidance—If the Department of Health Care Services performed cost-benefit analyses on treatment authorizations requests (TAR) with very low denial rates, it could ascertain which TAR's administrative costs equaled or exceeded its savings. By performing this analysis we estimate that it could save \$4,800,000 annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services.	\$4,800,000
2010-108 (June 2010)	<i>Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts</i> Increased Revenue—The Department of Public Health (Public Health) inappropriately granted a 35 percent reduction to health facility penalties totaling \$70,000. This error was largely because the database that Public Health uses to calculate penalty reductions was not programmed to reflect the correct dates to calculate penalties. Also, Public Health could have generated \$95,000 if it had assessed interest on penalties stalled in the appeals process. It also could have increased revenue by \$3.3 million during the period of fiscal year 2003–04 through March 2010 if it had updated the monetary penalties amounts based on inflation rates. Finally, Public Health could have generated \$101,220 if it had included certain accounts in the Surplus Money Investment Fund as opposed to the Pooled Money Investment Account.	3,566,000
I2010-1 (June 2010) (Allegation I2008-1066)	<i>Department of Industrial Relations: Investigations of Improper Activities by State Employees</i> Cost Recovery—An inspector at the Department of Industrial Relations, Division of Occupational Safety and Health misused state resources and improperly engaged in dual employment during her state work hours, for which she received \$70,105 in inappropriate payments	70,000
I2010-1 (June 2010) (Allegation I2008-0920)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Wasted Funds—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the tasks of a lower-paid classification. This misuse of the employees' time resulted in a loss to the State of \$110,797.	111,000
I2010-1 (June 2010) (Allegation I2008-1037)	<i>California State University, Northridge: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee of California State University, Northridge (Northridge), improperly allowed a business owner and associates to use a university laboratory facility, equipment, and supplies without compensating Northridge. After this investigation Northridge received payment of \$20,709 from the business owner.	21,000
2009-030 (July 2009)	<i>California State Bar: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs</i> Lost Revenue/Increased Revenues—The State Bar has not updated the formula it uses to bill disciplined attorneys, although the discipline costs have increased thirty percent during the last five years. We estimate that if it had updated the billing formula, it could have billed an additional \$850,000 for the past three years. Additionally, if the State Bar updates the formula, we estimate that it could increase revenue in future years by approximately \$285,000 annually.	850,000
2009-101 (November 2009)	<i>Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts</i> Cost Recovery—Since December 2003 counties have received millions of dollars in overpayments recovered from food stamp recipients. However, the Department of Social Services (Social Services) has been delayed in taking the steps needed to claim its share of these overpayments—approximately \$12.45 million. As a result of the six-year delay in addressing this issue, we estimate Social Services lost approximately \$1.1 million in interest on its share of the funds.	12,450,000 1,100,000

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2009-0702 (November 2009)	<i>Department of Corrections and Rehabilitation: Its Poor Internal Controls Allowed Facilities to Overpay Employees for Inmate Supervision</i>	35,000
	Cost Recovery— We identified almost \$35,000 in overpayments made to 23 employees, and we recommended that the Department of Corrections and Rehabilitation recuperate the overpayments from the employees. This is a one-time cost recovery for the state.	
2009-043 (November 2009)	<i>Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements</i>	
	Increased Revenue—The Board of Pilot Commissioners (board) did not receive all revenues for the surcharge to fund training new pilots, as required by law. By collecting these fees, we calculated that the board will collect an additional \$8,640 annually based on the current surcharge of \$9 per trainee.	9,000
	Cost Savings— The board offers free parking to employees, which may constitute a misuse of state resources. By cancelling its lease for parking, the board will save the total value of the lease, \$4,760 over the course of a year. Additionally, if the board ceases reimbursing pilots for business-class airfare when they fly for training, we believe that it will incur a savings in the future. We believe these future savings will be approximately \$30,000 annually.	5,000 30,000
Annualized carry forward for July 1, 2009, through June 30, 2010		\$172,406,000
2002-101 (July 2002)	California Department of Corrections	\$58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	California Department of Corrections	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
I2005-2 (September 2005)	California Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	California Department of Corrections and Rehabilitation	50,000
I2008-1 (April 2008)	Department of Social Services	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
Total for July 1, 2009, through June 30, 2010		\$195,453,000
July 1, 2008, through June 30, 2009		
2007-040 (September 2008)	<i>Department of Public Health: Laboratory Field Services' Lack of Clinical Laboratory Oversight Places the Public at Risk</i>	\$1,020,000
	Increased Revenue—Net effect of Clinical Laboratory misstatement. If fee adjustments are properly made, this should be a one time monetary value.	
I2008-2 (October 2008) (Allegation I2006-0826)	<i>California Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	17,000
	Cost Recovery—Recover improper payments that were made to employees for which they were not entitled. This is a one-time cost recovery for the state.	

continued on next page...

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-2 (October 2008) (Allegation I2008-0678)	<i>California Environmental Protection Agency: Investigations of Improper Activities by State Employees</i> Cost Recovery—The California Environmental Protection Agency paid an employee for 768 hours for which she was not at work and for which no leave balance was charged or used.	23,000
I2008-2 (October 2008) (Allegation I2007-1049)	<i>Department of Housing and Community Development: Investigations of Improper Activities by State Employees</i> Cost Recovery—Recover improper payments that were made to employees for which they were not entitled. This is a one-time cost recovery for the state.	35,000
I2008-2 (October 2008) (Allegation I2007-0917)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—Recover improper overtime payments that were made to employees at San Quentin State Prison for which they were not entitled. This is a one-time cost recovery for the state.	108,000
I2008-2 (October 2008) (Allegation I2007-0771)	<i>State Personnel Board: Investigations of Improper Activities by State Employees</i> Wasted Funds—The State Personnel Board approved contracts with a retired annuitant without providing reasonable justification for the contract or the contract amount. Although three different contracts were entered into, the amount of the contracts either varied, or the amount of work was unspecified.	14,000
2008-103 (November 2008)	<i>California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources</i> Cost Savings—We identified parking spaces maintained by the Unemployment Insurance Appeals Board (board) for which the board had little assurance were being used for their intended and allowable purposes. In March 2009 the board eliminated 31 of its 35 parking spaces, which will save \$61,000 annually. We are showing a benefit of \$20,000 for the remainder of fiscal year 2008–09.	20,000
I2009-1 (April 2009) (Allegation I2006-1125)	<i>Department of Fish and Game, Office of Spill Prevention and Response: Investigations of Improper Activities by State Employees</i> Cost Recovery—A high level official formerly with the Office of Spill Prevention and Response of the Department of Fish and Game incurred \$71,747 in improper travel expenses she was not entitled to receive. This is a one-time cost recovery to the state.	72,000
I2009-1 (April 2009) (Allegation I2007-0909)	<i>State Compensation Insurance Fund: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her \$8,314 for hours she did not work. This is a one-time cost recovery to the state.	8,000
I2009-1 (April 2009) (Allegation I2007-0891)	<i>Department of Corrections and Rehabilitation and Department of General Services: Investigations of Improper Activities by State Employees</i> Wasted Funds—The Departments of Corrections and Rehabilitation and General Services wasted \$580,000 in state funds by continuing to lease 5,900 square feet of office space that was left unoccupied for more than four years. This monetary value does not carry forward into future years.	580,000
2009-042 (May 2009)	<i>Children's Hospital Program: Procedures for Awarding Grants Are Adequate, but Some Improvement Is Needed in Managing Grants and Complying With the Governor's Bond Accountability Program</i> Lost Revenue—We identified interest revenues totaling \$34,000 the California Health Financing Authority (authority) did not recover from grantees on advanced funds. The authority can recover a currently unidentifiable amount of revenue if it requires grantees to place future advances of funds in interest bearing accounts. The amount of future funds that will be advanced, as opposed to disbursed for reimbursement expenditures, as well as the associated interest earnings are not predictable.	34,000
Annualized carry forward from prior fiscal years:		\$173,495,000
2002-101 (July 2002)	California Department of Corrections	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-113 (July 2005)	Department of General Services	1,186,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
I2005-2 (September 2005)	California Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	California Department of Corrections and Rehabilitation	50,000
I2008-1 (April 2008)	Department of Social Services	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
Total for July 1, 2008, through June 30, 2009		\$175,426,000
July 1, 2007, through June 30, 2008		
I2007-2 (September 2007) (Allegation I2006-1099)	<i>Department of Mental Health: Investigations of Improper Activities by State Employees</i> Wasted Funds—Misuse of state funds designated to purchase two law enforcement vehicles by using the vehicles for non-law enforcement purposes. This misuse resulted in a one-time loss to the state.	\$19,000
2007-037 (September 2007)	<i>Department of Housing and Community Development: Awards of Housing Bond Funds Have Been Timely and Complied With the Law, but Monitoring of the Use of Funds Has Been Inconsistent</i> Lost Revenue—Excessive advances are provided without consideration for interest earnings the State could receive. Without corrective action, this loss could continue for the life of the program.	38,000
I2007-2 (September 2007) (Allegation I2007-0715)	<i>California Highway Patrol: Investigations of Improper Activities by State Employees</i> Cost Avoidance—Purchase cost of \$881,565 for 51 vans it had not used for their intended purposes. We calculated that California Highway Patrol lost \$90,385 in interest because it bought the vans two years prior to when it needed them. This is a one-time loss to the state.	972,000
2007-109 (November 2007)	<i>DNA Identification Fund: Improvements Are Needed in Reporting Fund Revenues and Assessing and Distributing DNA Penalties, but Counties and Courts We Reviewed Have Properly Collected Penalties and Transferred Revenues to the State</i> Increased Revenue—Counties did not always assess and collect all required DNA penalties.	32,000
I2008-1 (April 2008) (Allegation I2006-0665)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Wasted Funds—Corrections leased 29 parking spaces at a private parking facility but did not use them. This is a one-time loss to the state.	50,000
I2008-1 (April 2008) (Allegation I2006-1040)	<i>Department of Social Services: Investigations of Improper Activities by State Employees</i> Cost Recovery—Recover improper payments that were made to contractors. Cost Savings—The Department of Social Services will avoid these improper payments totaling about \$13,000 annually in the future.	26,000
I2008-1 (April 2008) (Allegation I2007-0958)	<i>Department of Justice: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Justice paid compensation to five employees that they may not have earned over a nine-month period. This is a one-time cost recovery for the state.	18,000

continued on next page...

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2007-122 (June 2008)	<i>Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharge Medi-Cal</i>	13,000,000
	<p>Cost Recovery—The Department of Health Care Services (department) has identified over billing to Medi-Cal by equipment providers. We estimated the department has overpaid providers by approximately \$13 million during the period from October 2006 through September 2007. This is a one-time cost recovery to the department if they collect all overpayments.</p> <p>Cost Savings—If the department implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid \$13 million in overpayments annually.</p>	
Annualized carry forward from prior fiscal years:		\$147,044,000
2002-101 (July 2002)	California Department of Corrections	\$43,500,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-113 (July 2005)	Department of General Services	2,336,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
I2005-2 (September 2005)	California Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000
Total for July 1, 2007, through June 30, 2008		\$161,199,000
July 1, 2006, through June 30, 2007		
I2006-2 (September 2006) (Allegation I2006-0663)	<i>Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees</i>	\$18,000
	Cost Recovery—Between January 2004 and December 2005 an employee with the Department of Forestry and Fire Protection improperly claimed and received \$17,904 in wages for 672 hours he did not work in violation of state law.	
2006-035 (February 2007)	<i>Department of Health Services: It Has Not Yet Fully Implemented Legislation Intended to Improve the Quality of Care in Skilled Nursing Facilities</i>	6,100,000
	Cost Recovery—A contractor consultant authorized long-term care Medi-Cal duplicate payments. Health Services will recoup approximately \$5.3 million from facilities that received duplicate payments and an additional \$780,000 for duplicate or overlapping payments made to one or more different provider entities. Since authorization for the duplicate payments occurred because of a flawed procedure, the error may have caused other duplicate payments outside those we identified.	
I2007-1 (March 2007) (Allegation I2006-0945)	<i>California Exposition and State Fair: Investigations of Improper Activities by State Employees</i>	6,000
	Cost Recovery—An official within the California Exposition and State Fair (Cal Expo) sold his personal vehicle to Cal Expo. Because he was involved in the decision to make this purchase while acting in his official capacity and because he derived a personal financial benefit, this official violated the Political Reform Act of 1974 and Section 1090 of the California Government Code. Cal Expo has indicated that it has reversed the transaction regarding the vehicle, resulting in the reimbursement of \$5,900 to Cal Expo and the return of the vehicle to the prior owner.	
I2007-1 (March 2007) (Allegation I2006-0731)	<i>Department of Health Care Services: Investigations of Improper Activities by State Employees</i>	8,000
	Cost Recovery—An employee violated regulations covering travel expense reimbursements and payment of commuting expenses resulting in overpayments.	

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
Annualized carry forward from prior fiscal years:		\$148,464,000
2001-128 (April 2002)	Enterprise Licensing Agreement	\$8,120,000
2002-101 (July 2002)	California Department of Corrections	29,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
12004-2 (September 2004)	Department of Health Services	9,000
12004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
12005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000*
2004-113 (July 2005)	Department of General Services	2,336,000†
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
12005-2 (September 2005)	California Department of Corrections and Rehabilitation	193,000
12006-1 (March 2006)	Department of Fish and Game	8,300,000
Total for July 1, 2006, through June 30, 2007		\$154,596,000
July 1, 2005, through June 30, 2006		
2004-113 (July 2005)	<i>Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs</i>	\$1,115,000
	Cost Savings/Avoidance—The Department of General Services (General Services) expects that the new, more competitive contracts it awarded for January 2006 through December 2008 should save the State about \$2.3 million each year. Cost savings reflect six months—January through June 2006.	
	Increased Revenue—General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling \$36,000 per year.	36,000
	Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees. This is a one-time cost recovery for the state.	45,000
2004-134 (July 2005)	<i>State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered</i>	33,000
	Increased Revenue—If the commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of \$33,300 more per year.	
2004-125 (August 2005)	<i>Department of Health Services: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements</i>	10,300,000
	Increased Revenue—We estimate that California school districts would have received at least \$53 million more in fiscal year 2002–03 if all school districts had participated in the program and an additional \$4 million more if certain participating schools had fully used the program. A lack of program awareness was among the reasons school districts cited for not participating. By stepping up outreach, we believe more schools will participate in the program and revenues will continue to increase. However, because participation continued to increase between fiscal years 2002–03 and 2004–05, the incremental increase in revenue will be less than it was in fiscal year 2002–03. Taking into account this growth in participation and using a trend line to estimate the resulting growth in revenues, we estimate that revenues will increase by about \$10.3 million per year beginning in fiscal year 2005–06.	

continued on next page...

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2004-126 (August 2005)	<i>Off-Highway Motor Vehicle Recreation Program: The Lack of a Shared Vision and Questionable Use of Program Funds Limits Its Effectiveness</i> Cost Recovery—Of the \$566,000 in grant advances we identified as outstanding from Los Angeles County, the division reports receiving a \$226,000 refund and determining that the remaining \$340,000 was used in accordance with grant guidelines. This is a one-time cost recovery to the state.	226,000
I2005-2 (September 2005) (Allegation I2004-0710)	<i>California Military Department: Investigations of Improper Activities by State Employees</i> Cost Recovery—A supervisor at the Military Department embezzled \$132,523 in public funds; a court has subsequently ordered restitution of these funds. This is a one-time cost recovery for the state.	133,000
I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	<i>Department of Corrections: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In addition to recovering past payments totaling \$365,500, Corrections can save \$192,500 annually by discontinuing this practice.	558,000
I2006-1 (March 2006) (Allegation I2005-0781)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation failed to exercise its management controls, resulting in gifts of public funds of \$70,255 in leave not charged. This is a one-time cost recovery for the state.	70,000 [‡]
I2006-1 (March 2006) (Allegations I2005-0810, I2005-0874, I2005-0929)	<i>Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees</i> Cost Recovery—Several employees of the Department of Forestry and Fire Protection received \$61,466 in improper overtime payments.	61,000
I2006-1 (March 2006) (Allegations I2004-0983, I2005-1013)	<i>Victim Compensation and Government Claims Board: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) improperly awarded payments to a physician at Corrections totaling \$25,950.	26,000
I2006-1 (March 2006) (Allegation I2004-1057)	<i>Department of Fish and Game: Investigations of Improper Activities by State Employees</i> Increased Revenue—The Department of Fish and Game allowed several state employees and volunteers to reside in state-owned homes without charging them rent, consequently providing gifts of public funds. A subsequent housing review conducted by the Department of Personnel Administration demonstrated that all 13 state departments that own employee housing may be underreporting or failing to report housing fringe benefits. As a result, the State could increase revenues as much as \$8.3 million by charging fair-market rents.	8,300,000
2005-120 (April 2006)	<i>California Student Aid Commission: Changes in the Federal Family Education Loan Program, Questionable Decisions, and Inadequate Oversight Raise Doubts About the Financial Stability of the Student Loan Program</i> Cost Savings/Avoidance—We recommended that the Student Aid Commission amend its operating agreement to require EDFUND to establish a travel policy that is consistent with the State's policy and that it closely monitor EDFUND expenses paid out of the Operating Fund for conferences, workshops, all-staff events, travel, and the like. By implementing policy changes as recommended, we estimate EDFUND could save a minimum of \$45,000 annually.	45,000 [§]
Annualized carry forward from prior fiscal years:		\$112,802,000
2001-128 (April 2002)	Enterprise Licensing Agreement	\$8,120,000
2002-101 (July 2002)	California Department of Corrections	14,500,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000 ^{II}
Total for July 1, 2005, through June 30, 2006		\$133,750,000
July 1, 2004, through June 30, 2005		
2003-125 (July 2004)	<p><i>California Department of Corrections: More Expensive Hospital Services and Greater Use of Hospital Facilities Have Driven the Rapid Rise in Contract Payments for Inpatient and Outpatient Care</i></p> <p>Cost Savings—The potential for the Department of Corrections and Rehabilitation (Corrections) to achieve some level of annual savings appears significant if it could negotiate cost-based reimbursement terms, such as paying Medicare rates, in its contracts with hospitals. We estimated potential savings of at least \$20.7 million in Corrections' fiscal year 2002–03 inmate hospital costs. Specifically, had Corrections been able to negotiate contracts without its typical stop-loss provisions that are based on a percent discount from the hospitals' charges rather than costs, it might have achieved potential savings of up to \$9.3 million in inpatient hospital payments in fiscal year 2002–03 for the six hospitals we reviewed that had this provision. Additionally, had Corrections been able to pay hospitals the same rates as Medicare—which bases its rates on an estimate of hospital resources used and their associated costs—it might have achieved potential savings of \$4.6 million in emergency room and \$6.8 million in nonemergency room outpatient services at all hospitals in fiscal year 2002–03. Recognizing that Corrections will need some time to negotiate cost-based reimbursement contract terms, we estimate that it could begin to realize savings of \$20.7 million annually in fiscal year 2005–06.</p>	
2003-124 (August 2004)	<p><i>Department of Health Services: Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program</i></p> <p>Cost Savings— Represents the savings the Department of Health Services (Health Services) would have achieved in fiscal year 2002–03 had it paid only the amount specifically authorized by law for the Medical Therapy Program. Of the total, \$3.6 million relates to the full funding of county positions responsible for coordinating services provided by special education programs; \$774,000 relates to Health Services' method for sharing Medi-Cal payments with counties; and \$254,000 relates to Health Services' failure to identify all Medi-Cal payments made to certain counties. This monetary cost savings value will carry forward through fiscal year 2011–12.</p>	4,600,000
I2004-2 (September 2004) (Allegation I2002-0853)	<p><i>Department of Health Services: Investigations of Improper Activities by State Employees</i></p> <p>Cost Savings—We found that managers and employees at the Department of Health Services' (Health Services) Medical Review Branch office in Southern California regularly used state vehicles for their personal use. We estimate Health Services could save an average of \$9,260 each year because its employees no longer use state vehicles for personal use.</p>	9,000
I2004-2 (September 2004) (Allegation I2002-1069)	<p><i>Military Department: Investigations of Improper Activities by State Employees</i></p> <p>Cost Savings—We found that the California Military Department (Military) improperly granted employees an increase in pay they were not entitled to receive. Because Military has returned all the overpaid employees to their regular pay levels, it should be able to save approximately \$64,200 each year.</p>	64,000
2004-105 (October 2004)	<p><i>California Department of Corrections: Although Addressing Deficiencies in Its Employee Disciplinary Practices, the Department Can Improve Its Efforts</i></p> <p>Cost Savings—The Department of Corrections could save as much as \$290,000 annually by using staff other than peace officers to fill its employment relations officer positions.</p>	290,000

continued on next page . . .

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2005-1 (March 2005) (Allegation I2003-0834)	<i>Department of Corrections: Investigations of Improper Activities by State Employees</i>	357,000
	Cost Recovery/Cost Savings—In violation of state regulations and employee contract provisions, the Department of Corrections (Corrections) paid 25 nurses at four institutions nearly \$238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save \$119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate.	
2005-030 (April 2005)	<i>State Bar of California: It Should Continue Strengthening Its Monitoring of Disciplinary Case Processing and Assess the Financial Benefits of Its New Collection Enforcement Authority</i>	24,000 [#]
	Cost Recovery—As a result of our recommendation that it prioritize its cost recovery efforts to focus on attorneys who owe substantial amounts, the State Bar sent demand letters to the top 100 disciplined attorneys and has received \$24,411 as of April 2006. This is a one-time cost recovery for the state.	
2004-033 (May 2005)	<i>Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies</i>	5,100,000 ^{**}
	Cost Savings/Avoidance—In a prior audit, we had noted that opportunities existed for the Department of General Services (General Services) to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State \$5.1 million annually.	
	Cost Recovery—As we recommended, the Department of Health Services identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly \$2.5 million in net overpayments that resulted from its error.	2,469,000
Annualized carry forward from prior fiscal years:		\$64,720,000
2001-128 (April 2002)	Enterprise Licensing Agreement	\$8,120,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
Total for July 1, 2004, through June 30, 2005		\$77,633,000
July 1, 2003, through June 30, 2004		
2002-121 (July 2003)	<i>California Environmental Protection Agency: Insufficient Data Exists on the Number of Abandoned, Idled, or Underused Contaminated Properties, and Liability Concerns and Funding Constraints Can Impede Their Cleanup and Redevelopment</i>	\$1,000,000
	Increased Revenue—The California Environmental Protection Agency received \$1 million in revenues after it applied for a one-time federal grant. This is a one-time increase in revenue for the state.	
2003-106 (October 2003)	<i>State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reforms of the Process</i>	
	Cost Savings—If the local entities we audited file corrected claims for the errors we identified, the State will save \$675,000 related to the Animal Adoption mandate.	675,000 ^{††}
	Cost Recovery— We recommended that the State Controller's Office (Controller's Office) audit Peace Officers Procedural Bill of Rights (POBOR) claims that had been paid. In 2010, the Controller's Office informed the State Auditor that it had audited \$225 million in Peace Officers Procedural Bill of Rights Program claims and found \$194 million (86 percent of claims reviewed) in unallowable costs had been claimed. This cost recovery benefit will be claimed in the fiscal year 2010–11 as a one-time benefit.	194,000,000 ^{††}
Cost Savings—Additionally, the Controller's Office indicated that while implementing our recommendation to review POBOR claims, it calculated that the amounts claimed under this program have dropped substantially resulting in a realized cost savings to the state of \$53 million over a seven year period (fiscal years 2003–04 through 2010–11).	7,600,000 ^{††}	

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2003-102 (December 2003)	<i>Water Quality Control Boards: Could Improve Their Administration of Water Quality Improvement Projects Funded by Enforcement Actions</i>	301,000
	Increased Revenue—We identified 92 violations that require fine issuance and collection of the fines, and three fines that were issued but not collected. The State Water Resources Control Board could increase its revenue if it collected these fines.	
2003-117 (April 2004)	<i>California Department of Corrections: It Needs to Ensure That All Medical Service Contracts It Enters Are in the State's Best Interest and All Medical Claims It Pays Are Valid</i>	96,000
	Cost Recovery/Avoidance—Recovery of overpayments to providers for medical service charges in the amount of \$77,200 and the establishment of procedures to avoid lost discounts and prompt payment penalties totaling \$18,600.	
2003-138 (June 2004)	<i>Department of Insurance: It Needs to Make Improvements in Handling Annual Assessments and Managing Market Conduct Examinations</i>	7,000,000
	Increased Revenue—We estimate a one-time increase of revenue totaling \$7 million from the Department of Insurance's ability to make regulation changes that will result in capturing more specific data from insurers about the number of vehicles they insure. Future increases in revenue are undeterminable.	
Annualized carry forward from prior fiscal years:		\$57,177,000
2001-128 (April 2002)	Enterprise Licensing Agreement	\$8,120,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,057,000
Total for July 1, 2003, through June 30, 2004		\$267,849,000
January 1, 2003, through June 30, 2003		
2002-009 (April 2003)	<i>California Energy Markets: The State's Position Has Improved, Due to Efforts by the Department of Water Resources and Other Factors, but Cost Issues and Legal Challenges Continue</i>	29,000,000
	Cost Savings—In response to an audit recommendation, the Department of Water Resources (Water Resources) renegotiated certain energy contracts. Water Resources' consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be \$580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the \$580 million over the 20-year period the savings will be realized.	
2002-118 (April 2003)	<i>Department of Health Services: Its Efforts to Further Reduce Prescription Drug Costs Have Been Hindered by Its Inability to Hire More Pharmacists and Its Lack of Aggressiveness in Pursuing Available Cost-Saving Measures</i>	
	Cost Savings—For two drugs we found that the net costs of the brand names were higher than those of the generics because the Department of Health Services (Health Services) failed either to renegotiate the contract or to secure critical contract terms from the manufacturer—errors we estimated cost Medi-Cal roughly \$57,000 in 2002. Additionally, Health Services estimated that it could save \$20 million annually by placing the responsibility on the pharmacists to recover \$1 copayments they collect from each Medi-Cal beneficiary filling a prescription. We estimate the State could begin to receive these savings each year beginning in fiscal year 2003–04.	
Total for January 1, 2003, through June 30, 2003		\$29,000,000
Total for January 1, 2003, through December 31, 2010		\$1,281,313,500
Benefits identified prior to 2003, but have annualized carry forward values		
2001-128 (April 2002)	<i>Enterprise Licensing Agreement: The State Failed to Exercise Due Diligence When Contracting With Oracle, Potentially Costing Taxpayers Millions of Dollars</i>	
	Cost Savings—The State and Oracle agreed to rescind the contract in July 2002. As a result, we estimate the State will save \$8,120,000 per year for five years starting in fiscal year 2002–03.	

continued on next page...

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2002-101 (July 2002)	<p><i>California Department of Corrections: A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management's Control</i></p> <p>Cost Savings—We estimate that the Department of Corrections and Rehabilitation (Corrections) could save \$58 million if it reduces overtime costs by filling unmet correctional officer needs. This estimate includes the \$42 million we identified in our November 2001 report (2001-108). Corrections stated in its six-month response to this audit that, following our recommendation to increase the number of correctional officer applicants, it has submitted a proposal to restructure its academy to allow two additional classes each year. This action could potentially allow Corrections to graduate several hundred more correctional officers each year, thereby potentially contributing to a reduction in its overtime costs. However, any savings from this action would be realized in future periods. We estimate that Corrections could realize savings of \$14.5 million beginning in fiscal year 2005–06, with savings increasing each year until reaching \$58 million in fiscal year 2008–09.</p>	
Totals for benefits identified prior to 2003, and that carry forward beyond an eight-year period		
Total for January 1, 2003, through December 31, 2010		\$1,281,313,500

* Based on our follow-up work (Report 2007-501), we will discontinue claiming \$7.8 million as of fiscal year 2007–08 because General Services two new pharmaceutical contracts will expire November 2007. (See related footnote below.)

† Based on our follow-up audit 2007-502, issued May 2007, we reduced General Services' expected \$3 million of cost savings we reported in 2005 to \$2.3 million of potential savings.

‡ This monetary value was previously listed at \$66,000. Additional audit work resulted in additional cost recovery of more than \$4,000 and based on updated information from the Department of Corrections and Rehabilitation, we eliminated the improper holiday accruals we reported in 2007.

§ We will discontinue claiming \$45,000 as of this fiscal year. Recent changes to state law may impact the role previously performed by the Student Aid Commission (commission). Senate Bill 89 (SB 89), an emergency measure enacted as Chapter 182, Statutes of 2007, and signed by the governor on August 24, 2007, took effect immediately, and may affect the ownership of EDFUND, and impact the commission's oversight role.

|| This monetary value was previously listed at \$5.1 million. However, according to General Services, its strategic sourcing contractor assisted it in negotiating two new pharmaceutical contracts for the period of November 2005 to November 2007 that General Services believed would result in increased savings to the State. Our follow-up report indicates that the State appears to have achieved savings of \$7.8 million during the first 10 months of these two new contracts. See report number 2007-501 (June 2007).

This monetary value was previously listed as \$2,700. The State Bar reported that it has since received an increased amount of cost recovery.

** This monetary value was not previously reported because General Services had not yet implemented the contracts resulting in this savings.

†† The total monetary value for this report was updated in the 2011 monetary values table based on additional follow-up information provided by the State Controller's Office.

Table 2
Recommendation Status Summary

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Accountability and Administrative Review									
Employment Development Department									
Investigations Report I2009-1 [I2008-0699]			●		2				25
Department of Corrections and Rehabilitation									
Investigations Report I2009-1 [I2007-0891]				●	1				27
Investigations Report I2009-0702				●	1	1			45
Department of General Services									
Investigations Report I2009-1 [I2007-0891]				●	1				27
Department of Fish and Game									
Investigations Report I2009-1 [I2006-1125]				●		1	1		29
Department of Parks and Recreation									
Investigations Report I2009-1 [I2008-0606]		●			1				33
Department of Justice									
Investigations Report I2009-1 [I2007-1024]				●	2				35
State Compensation Insurance Fund									
Investigations Report I2009-1 [I2007-0909]				●		1			37
Department of Social Services									
Investigations Report I2009-1 [I2007-0962]				●	1	1			39
Department of Finance									
Investigations Report I2009-1 [I2008-0633]				●	1				43
California State University, Chancellor's Office									
Investigations Report I2007-1158				●	1	1		1	47
Appropriations									
Commission on State Mandates									
State Mandates Report 2009-501				●	2	1			51
State Controller									
State Mandates Report 2009-501				●		1			51
Department of Finance									
State Mandates Report 2009-501		●			1				51
Investigations Report I2009-1 [I2008-0633]				●	1				43

continued on next page...

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Banking, Finance and Insurance									
Health Facilities Financing Authority									
Children's Hospital Program Report 2009-042				●	3				55
Business, Professions, Economic Development and Consumer Protection									
California Prison Health Care Services									
Investigations Report I2008-0805				●	1				59
IT Goods and Services Report 2008-501				●	3				61
Operations and Management Report 2009-107.1				●		1			77
Department of Corrections and Rehabilitation									
Investigations Report I2008-0805				●	1				59
Investigations Report I2009-1 [I2007-0891]				●	1				27
Operations and Management Report 2009-107.1				●		2	2		77
Department of General Services									
Investigations Report I2009-1 [I2007-0891]				●	1				27
Sourced Contracts 2009-114			●			5			115
Department of Parks and Recreation									
Investigations Report I2009-1 [I2008-0606]		●			1				33
Health Facilities Financing Authority									
Children's Hospital Program Report 2009-042				●	3				55
State Bar of California									
State Bar Report 2009-030				●	8	3			65
Department of Health Care Services									
Information Technology Contracting Report 2009-103				●	3	3			85
Department of Public Health									
Information Technology Contracting Report 2009-103				●	3	1	1		85
State Personnel Board									
Information Technology Contracting Report 2009-103				●			1		85
Commission on State Mandates									
State Mandates Report 2009-501				●	2	1			51
State Controller									
State Mandates Report 2009-501				●		1			51
Department of Finance									
State Mandates Report 2009-501		●			1				51

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Board of Pilot Commissioners									
Operations and Finances Report 2009-043				●	6	5			93
High-Speed Rail Authority									
Planning and Management Report 2009-106			●		4	1	5		105
Department of Resources Recycling and Recovery									
Beverage Container Recycling Program Report 2010-101			●			3	2		111
Education									
California State University, Chancellor's Office									
Investigations Report I2007-1158				●	1	1		1	47
California Community Colleges Chancellor's Office									
Crime Disclosure Report 2009-032			●		1				123
California State University, Fresno									
Crime Disclosure Report 2009-032			●		1				123
Mt. San Antonio Community College									
Crime Disclosure Report 2009-032			●		1				123
Ohlone Community College									
Crime Disclosure Report 2009-032			●			1			123
University of California, Riverside									
Crime Disclosure Report 2009-032			●		1				123
Western Career College—Sacramento									
Crime Disclosure Report 2009-032			●		1				123
Western University of Health Sciences									
Crime Disclosure Report 2009-032			●			1			123
Department of Education									
Meal Program Eligibility Report 2010-104		●				1	2		129
Energy, Utilities and Communications									
Energy Resources Conservation and Development Commission									
Recovery Act Funds Letter Report 2009-119.1				●		2			135
Governmental Organization									
Department of Mental Health									
State Overtime Costs Letter Report 2009-608				●	4		1		139
Department of Developmental Services									
State Overtime Costs Report 2009-608				●	3				139

continued on next page...

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Regional Centers Report 2009-118		●			1	4	1	1	155
California Emergency Management Agency									
Recovery Act Funds Letter Report 2009-119.4			●		3	1			147
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Public Health									
Every Woman Counts Program Report 2010-103R			●			2	1		151
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						3		163
State Personnel Board									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●				1	2	2		163
California Highway Patrol									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●				1		1		163
Department of Corrections and Rehabilitation									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						3		163
Department of Food and Agriculture									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Housing and Community Development									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Justice									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Motor Vehicles									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●				1	1			163
Department of Toxic Substances Control									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						2		163
Employment Development Department									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
City of Fremont									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						1		163
City of Santa Ana									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						1		163

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
City of Garden Grove									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						1		163
California Recovery Task Force									
Reporting of Recovery Act Jobs Report 2010-601	●						2		175
Health									
California Prison Health Care Services									
IT Goods and Services Report 2008-501				●	3				61
Three Strikes Law and Health Care Costs Report 2009-107.2			●			1	3		177
Department of Corrections and Rehabilitation									
Three Strikes Law and Health Care Costs Report 2009-107.2			●				3	1	177
Department of Health Care Services									
Medi-Cal Treatment Authorizations Report 2009-112			●				2	1	185
Department of Public Health									
Citation Penalty Accounts Report 2010-108			●		1	4			189
Every Woman Counts Program Report 2010-103R			●			2	1		151
Higher Education									
California State University, Chancellor's Office									
Investigations Report I2007-1158				●	1	1		1	47
California Community Colleges Chancellor's Office									
Crime Disclosure Report 2009-032			●		1				123
California State University, Fresno									
Crime Disclosure Report 2009-032			●		1				123
Mt. San Antonio Community College									
Crime Disclosure Report 2009-032			●		1				123
Ohlone Community College									
Crime Disclosure Report 2009-032			●			1			123
University of California, Riverside									
Crime Disclosure Report 2009-032			●		1				123
Western Career College—Sacramento									
Crime Disclosure Report 2009-032			●		1				123
Western University of Health Sciences									
Crime Disclosure Report 2009-032			●			1			123

continued on next page ...

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Housing and Community Development									
Department of Housing and Community Development									
Housing Bond Funds Report 2009-037				●	2		1		195
Homeless Prevention Program Letter Report 2009-119.3			●		4	1			205
Housing Finance Agency									
Housing Bond Funds Report 2009-037				●	1				195
Department of Community Services and Development									
Weatherization Program/ Recovery Act Funds Letter Report 2009-119.2				●	2	2			199
Human Services									
Department of Social Services									
CalWORKs & Food Stamps Programs Report 2009-101			●			1	4	1	209
Department of Developmental Services									
Regional Centers Report 2009-118		●			1	4	1	1	155
Judiciary									
State Bar of California									
State Bar Report 2009-030				●	8	3			65
Labor, Employment and Industrial Relations									
Department of Mental Health									
State Overtime Costs Report 2009-608				●	4		1		139
Department of Developmental Services									
State Overtime Costs Report 2009-608				●	3				139
Local Government									
Contra Costa County									
Temporary Workers Report 2008-107				●	2				215
Riverside County									
Temporary Workers Report 2008-107				●	1				215
San Joaquin County									
Temporary Workers Report 2008-107				●	1				215
City of Escondido									
Temporary Workers Report 2008-107				●	1				215
Commission on State Mandates									
State Mandates Report 2009-501				●	2	1			51
State Controller									
State Mandates Report 2009-501				●		1			51

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Department of Finance									
State Mandates Report 2009-501		●			1				51
City of Fremont									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						1		163
City of Santa Ana									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						1		163
City of Garden Grove									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						1		163
California Emergency Management Agency									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Public Health									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						3		163
State Personnel Board									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●				1	2	2		163
California Highway Patrol									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●				1		1		163
Department of Corrections and Rehabilitation									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						3		163
Department of Food and Agriculture									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Housing and Community Development									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Justice									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163
Department of Motor Vehicles									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●				1	1			163
Department of Toxic Substances Control									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●						2		163
Employment Development Department									
Dymally-Alatorre Bilingual Services Act Report 2010-106	●					1	1		163

continued on next page ...

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
San Dieguito Union High School District									
Financial Audit Report 2009-116			●		3		1		221
Natural Resources and Water									
Energy Resources Conservation and Development Commission									
Recovery Act Funds Letter Report 2009-119.1				●		2			135
Department of Resources Recycling and Recovery									
Beverage Container Recycling Program Report 2010-101			●			3	2		111
Public Employees and Retirement									
Contra Costa County									
Temporary Workers Report 2008-107				●	2				215
Riverside County									
Temporary Workers Report 2008-107				●	1				215
San Joaquin County									
Temporary Workers Report 2008-107				●	1				215
City of Escondido									
Temporary Workers Report 2008-107				●	1				215
Employment Development Department									
Investigations Report I2009-1 [I2008-0699]			●		2				25
Department of Fish and Game									
Investigations Report I2009-1 [I2006-1125]				●		1	1		29
Department of Justice									
Investigations Report I2009-1 [I2007-1024]				●	2				35
State Compensation Insurance Fund									
Investigations Report I2009-1 [I2007-0909]				●		1			37
Department of Social Services									
Investigations Report I2009-1 [I2007-0962]				●	1	1			39
Department of Health Care Services									
Information Technology Contracting Report 2009-103				●	3	3			85
Department of Public Health									
Information Technology Contracting Report 2009-103				●	3	1	1		85
State Personnel Board									
Information Technology Contracting Report 2009-103				●			1		85

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Department of Mental Health									
State Overtime Costs Report 2009-608				●	4		1		139
Department of Developmental Services									
State Overtime Costs Report 2009-608				●	3				139
Department of Corrections and Rehabilitation									
Investigations Report I2009-0702				●	1	1			45
California State University, Chancellor's Office									
Investigations Report I2007-1158				●	1	1		1	47
Public Safety									
Department of Corrections and Rehabilitation									
Operations and Management Report 2009-107.1				●		2	2		77
Three Strikes Law and Health Care Costs Report 2009-107.2			●				3	1	177
California Prison Health Care Services									
Operations and Management Report 2009-107.1				●		1			77
Information Technology Goods and Services Report 2008-501				●	3				61
Three Strikes Law and Health Care Costs Report 2009-107.2			●			1	3		177
California Community Colleges Chancellor's Office									
Crime Disclosure Report 2009-032			●		1				123
California State University, Fresno									
Crime Disclosure Report 2009-032			●		1				123
Mt. San Antonio Community College									
Crime Disclosure Report 2009-032			●		1				123
Ohlone Community College									
Crime Disclosure Report 2009-032			●			1			123
University of California, Riverside									
Crime Disclosure Report 2009-032			●		1				123
Western Career College—Sacramento									
Crime Disclosure Report 2009-032			●		1				123
Western University of Health Sciences									
Crime Disclosure Report 2009-032			●			1			123

continued on next page...

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
California Emergency Management Agency									
Recovery Act Funds Letter Report 2009-119.4			●		3	1			147
Revenue and Taxation									
State Bar of California									
State Bar Report 2009-030				●	8	3			65
Department of Public Health									
Citation Penalty Accounts Report 2010-108			●		1	4			189
Transportation									
Board of Pilot Commissioners									
Operations and Finances Report 2009-043				●	6	5			93
High-Speed Rail Authority									
Planning and Management Report 2009-106			●		4	1	5		105
Veterans Affairs									
Department of Veterans Affairs									
Veterans Programs Report 2009-108				●	6	3	1		225