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Table 1
Recommendation Status Summary

Assembly Budget Subcommittee 3 on Resources and Transportation

Report Number 2014-136		
<i>Coastal Improvement Fund (January 2015)</i>		

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that the public is informed of Los Angeles County's (county) plans for using the Coastal Improvement Fund (improvement fund), the county needs to more clearly communicate its intentions and then update such communications as its plans change. The county's communications could be as simple as a public notice and a posting to its website that include the following:</p> <ul style="list-style-type: none"> Information on the specific projects and parcels in Marina del Rey where it intends to spend money from the improvement fund for the development of open space (or a time frame for making such a decision). The time frame for the expected start and completion of such projects. 	Fully Implemented	Los Angeles County Department of Regional Planning
<p>2. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to Public Works. Specifically, such policies should include a protocol for how the county Department of Regional Planning communicates the amount due to the Department of Beaches and Harbors (Beaches and Harbors).</p>	Fully Implemented	Los Angeles County Department of Regional Planning
<p>3. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to the Department of Public Works (Public Works). Specifically, such policies should include a protocol for how Beaches and Harbors informs Public Works that the developer has paid the fee to the improvement fund.</p>	Fully Implemented	Los Angeles County Department of Beaches and Harbors
<p>4. To ensure that developers do not receive project credits to which they are not entitled, the county should develop a mechanism that will allow its enforcement unit to verify that the developer actually earned the credits it received.</p>	Fully Implemented	Los Angeles County Department of Regional Planning

Report Number 2014-124		
<i>California's Alternative Energy and Efficiency Initiatives: Two Programs Are Meeting Some Goals, but Several Improvements Are Needed (February 2015)</i>		

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>5. To ensure that the decal fee is sufficient to reimburse program costs, the Department of Motor Vehicles (Motor Vehicles) should periodically perform a full cost analysis of the Clean Air Vehicle Decal Program and update the fee accordingly.</p>	Partially Implemented	Department of Motor Vehicles

Report Number 2014-105		
<i>Los Angeles Department of Water and Power: Consequences Linked to Its Premature Launch of Its Customer Information System May Push Total Costs Beyond \$200 Million (March 2015)</i>		

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that the Los Angeles Board of Water and Power Commissioners (board) can more effectively exercise oversight for the Los Angeles Department of Water and Power's (department) significant information technology projects, the board should establish a standing committee comprised of board members to oversee and critically evaluate the status of the department's various information technology projects. Given the limited tenure of board members and the potential for multiyear and high-cost information technology projects, the board president should consider appointing as many committee members as practicable in order to promote continuity of oversight.</p>	Not Fully Implemented	Los Angeles Department of Water and Power

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>2. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop reporting standards for the department's management to follow when discussing the status of information technology projects with the standing committee or the board. Such reporting standards should, at a minimum, specify the frequency with which the department's management makes such reports and require the following disclosures about each information technology project:</p> <ul style="list-style-type: none"> • The amount of project growth, in terms of both budget and scope of work, from initial project estimates through current projections. • The results from system testing and a listing of the critical defects that exist and must be fixed prior to system use. • The concerns the quality assurance contractor has raised and how the department is addressing them. 	Not Fully Implemented	Los Angeles Department of Water and Power
<p>3. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop a process for the board to designate certain information technology projects as having a potentially significant effect on business operations or customer relations, and require that department managers first obtain the board's approval before launching such critical new systems.</p>	Not Fully Implemented	Los Angeles Department of Water and Power
<p>4. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a centralized listing of all employees participating in each stage of the contracting process (proposal development, bid evaluation, and contract award), and who are required to submit conflict-of-interest disclosure forms per the board's policy.</p>	Fully Implemented	Los Angeles Department of Water and Power
<p>5. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a central depository of the conflict-of-interest certifications submitted by each employee.</p>	Fully Implemented	Los Angeles Department of Water and Power

Report Number 2014-122

Ross Valley Sanitary District: The Board and Management Have Only Recently Begun to Address Significant Weaknesses in the District's Financial and Administrative Functions (April 2015)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. The Ross Valley Sanitary District (district) Board of Directors (board) should ensure that management continues to develop and strengthen its controls over the district's financial and administrative functions. For example, district management should fully implement all of the external auditor's remaining recommendations by June 30, 2015. Management should also ensure that its staff follow these policies and should create and implement a plan for monitoring its system of controls. The board should also consider periodically contracting with qualified professionals to conduct a review of the effectiveness of the district's system of internal controls.</p>	Pending	Ross Valley Sanitary District
<p>2. The district should strengthen its financial and administrative policies to make it clear that the activities of approving invoices, recording invoices, preparing checks, and reconciling bank statements to the district's records should be performed by separate individuals.</p>	Pending	Ross Valley Sanitary District
<p>3. The district should strengthen its financial and administrative policies to make it clear who is responsible for reviewing and approving monthly bank reconciliations.</p>	Pending	Ross Valley Sanitary District
<p>4. The district should strengthen its financial and administrative policies to limit California lodging costs to the rate set by the State for its employees, and limit any out-of-state lodging costs to rates set by the federal government for its employees. In addition, the district should remove from its travel policy the reimbursement for exercise equipment use.</p>	Pending	Ross Valley Sanitary District
<p>5. The district should strengthen its financial and administrative policies to require periodic reporting of financial information to the board.</p>	Fully Implemented	Ross Valley Sanitary District
<p>6. The district should strengthen its financial and administrative policies to require a periodic review to ensure that only appropriate personnel are included as authorized signers on financial accounts.</p>	Fully Implemented	Ross Valley Sanitary District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. The district should strengthen its financial and administrative policies to establish an appropriate system for tracking and valuing inventory.	Pending	Ross Valley Sanitary District
8. The district should strengthen its financial and administrative policies to require employees to obtain their supervisor's approval before working paid overtime.	Pending	Ross Valley Sanitary District
9. The district should strengthen its financial and administrative policies to do the following: Require all employees, including managers, to complete timesheets to track time worked and any compensated time off.	Fully Implemented	Ross Valley Sanitary District
10. The district should strengthen its financial and administrative policies to develop and document a process for reviewing and monitoring designated employees' and board members' filing of Form 700.	Fully Implemented	Ross Valley Sanitary District
11. The district should strengthen its financial and administrative policies to do the following: Develop and document a policy that requires board members and designated employees to attend ethics training biannually and a process for monitoring attendance.	Fully Implemented	Ross Valley Sanitary District
12. To clarify the roles and responsibilities of board members, the district should create a more comprehensive board member manual that describes all of the board's roles and fiduciary responsibilities. This manual should address the best practices contained in the California Special Districts Association's Special District Board Member/Trustee Handbook. The district should also provide for additional training for board members in the following areas over which they exercise important responsibilities: financial management, contracting, emergency procurement, and human resources.	Pending	Ross Valley Sanitary District
13. The board should reduce the salary ranges for all positions in the district's salary schedules to better align with comparable positions at comparable sanitation agencies. While we are not suggesting that the board cut current salaries of its employees, it is imperative that the board reduce the salary ranges in its salary schedules before more employees reach the top step of their respective salary ranges. The board should also ensure that COLAs are tied to an appropriate cost-of-living index and that any merit raises are based on satisfactory performance that is documented in an appraisal. Further, the board should either justify its need for longevity pay to attract and retain qualified employees or discontinue its practice of offering longevity pay to those employees who are not already receiving this extra pay. In addition, the district should revise its employee retirement contribution policy to require all employees to contribute an appropriate amount to their pensions and should discontinue its practice of reimbursing its represented employees up to \$300 annually for gym memberships. The board should make these changes for unrepresented employees immediately and should seek to make these changes for represented employees by negotiating with the American Federation of State, County, and Municipal Employees Local 2167 when the current MOU expires in July 2015.	Fully Implemented	Ross Valley Sanitary District
14. To ensure that employee compensation remains appropriate after making the changes described in the previous recommendation, the board should develop robust policies that outline how it will establish future compensation for all district positions. This policy should require the district to conduct a salary survey of comparable sanitation agencies to determine what compensation levels are appropriate for the job duties of district positions and to present the results to the board.	Pending	Ross Valley Sanitary District
15. To ensure that it follows state law and its policies for emergency procurement, the board should review and reapprove all emergencies at each board meeting subsequent to the initial emergency declaration and should terminate emergency declarations as soon as possible to ensure that it competitively bids any work that is no longer an emergency.	Fully Implemented	Ross Valley Sanitary District
16. The district should ensure that it hires qualified vendors at a reasonable price by using a competitive process when contracting for professional services. When this is not possible or appropriate given the nature of the services, the district should adequately justify its use of a noncompetitive process (sole-source procurement). In addition, the district should obtain a written description of services to be provided (scope of services) and a cost estimate from legal counsel before engaging in litigation.	Fully Implemented	Ross Valley Sanitary District
17. The district should ensure that it has access to qualified human resources professionals, whether contracted or in-house, to assist staff when handling human resources issues.	Fully Implemented	Ross Valley Sanitary District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18. The district should implement the remaining recommendations contained in its human resources consultants' work plan by the targeted dates shown in Table 3 on page 18 of our report, and improve its performance management system to ensure that staff receive required annual performance evaluations.	Pending	Ross Valley Sanitary District
19. The district should implement the remaining recommendations contained in its human resources consultants' work plan by the targeted dates shown in Table 3 on page 18 of our report, and develop and document a policy that requires board members and supervisors to attend harassment prevention training biannually and a process for monitoring their attendance.	Pending	Ross Valley Sanitary District
20. To ensure that compensation for the general manager remains reasonable, and to prevent the excesses that existed in the former general manager's contract, the district should develop a policy that establishes the criteria to be used when periodically evaluating the general manager's performance and for determining any merit-based compensation increases.	Fully Implemented	Ross Valley Sanitary District

Report Number 2014-132*Apple Valley Area Water Rates: Differences in Costs Affect Water Utilities' Rates, and One Utility May Have Spent Millions of Ratepayer Funds Inappropriately (April 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To assist low-income water customers, the Hesperia Water District (Hesperia) should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement a rate assistance program.	Will Not Implement	Hesperia Water District
2. To assist low-income water customers, the Victorville Water District (Victorville) should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement a rate assistance program.	Will Not Implement	Victorville Water District
3. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Fully Implemented	Apple Valley Ranchos Water Company
4. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Pending	Golden State Water Company
5. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Fully Implemented	Hesperia Water District
6. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Will Not Implement	Victorville Water District
7. To ensure that it does not use revenues from ratepayers for inappropriate purposes, by October 2015, Victorville should revise its policies to prohibit transfers or loans of water fee revenue for nonwater district purposes. Victorville should also revise its investment policy that specifies the circumstances under which it can invest water revenues—setting prudent limits on its investment in assets that the Victorville city council manages.	Will Not Implement	Victorville Water District
8. To address the excess interest expense resulting from loans to the city of Victorville and the building of the wastewater plant, Victorville should seek reimbursement from the city for its unrecovered costs. Victorville should work with the city to prepare and submit to the water district board and the Victorville city council by October 2015 a formal repayment plan including specific dates and payments to be made to ensure that the water district and its ratepayers are made whole. When the water district board approves such a plan, it should take steps to ensure compliance with the repayment plan.	Will Not Implement	Victorville Water District

Report Number 2015-608

High Risk—State Departments Need to Improve Their Workforce and Succession Planning Efforts to Mitigate the Risks of Increasing Retirements (May 2015)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. The California Department of Transportation (Caltrans) should develop a process by December 2015 to measure and evaluate its workforce and succession planning activities at least annually, and update its plans as necessary, to ensure that its activities are effective. This process should include evaluating the trends in retirements for leadership and technical positions.	Fully Implemented	Department of Transportation
12. Caltrans should identify a key resource, such as a unit, by June 30, 2015, to track the results of workforce and succession planning activities across the department to ensure that the workforce and succession planning activities it implements are monitored on a department wide level.	Fully Implemented	Department of Transportation
14. Caltrans should develop a comprehensive workforce and succession master plan by December 2015 to ensure that it is adequately prepared for the retirement of a significant number of its highly experienced employees. The plan should include current best practices that meet its organizational needs.	Fully Implemented	Department of Transportation

Report Number 2015-506

Follow-Up—California Department of Motor Vehicles: It Still Has Not Ensured It Charges and Advertises Fees for Some Special Interest License Plates Consistent With State Law (July 2015)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure it charges fees for special plates that are consistent with state law, Motor Vehicles should begin charging the correct fees for transferring an Olympic Training Center plate and to convert a personalized plate to a personalized Collegiate plate by March 31, 2016.	Fully Implemented	Department of Motor Vehicles

Report Number I2015-1

Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise (August 2015)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Train the division chief, maintenance manager, administrative manager, and business services supervisor regarding the proper procedures for disposing of state-owned surplus property and for handling recycling proceeds.	Fully Implemented	Department of Water Resources
2. Establish a policy requiring valuable surplus property that will be recycled to be set apart and separately weighed to maximize the recycling proceeds.	Fully Implemented	Department of Water Resources
3. Develop an internal control process to ensure that each field division properly documents, tracks, safeguards, and promptly deposits all checks received into the Department of Water Resources' (Water Resources) accounts.	Fully Implemented	Department of Water Resources
4. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should continue its efforts to recover the undercharged rent from the telecommunications companies.	Partially Implemented	Department of Transportation
5. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should ensure that accounting records accurately reflect the funds received and owed to Caltrans from the telecommunications companies.	Fully Implemented	Department of Transportation
6. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should establish a process and train the two District 4 right-of-way agents to ensure that they consistently adjust rental rates in accordance with license provisions. The process should include a method to calculate and notify each telecommunications company of its annual rental rate before the payment is due on July 1 of each year.	Fully Implemented	Department of Transportation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should provide sufficient training to the supervisor in District 4 to ensure that he has a necessary understanding of the license provisions and process so he can provide adequate oversight to the program's right-of-way agents.	Fully Implemented	Department of Transportation
8. Take the appropriate disciplinary action to address Supervisor A's neglect of duty.	Resolved	Department of Transportation
9. Provide appropriate counseling and training to the district staff management involved so that they are aware of the proper procedures of maintaining daily reports and recording, reviewing, and approving accurate time sheets.	Fully Implemented	Department of Transportation
23. Take disciplinary action against the senior personnel specialist to ensure that she fully and accurately accounts for her time.	Fully Implemented	Department of Forestry and Fire Protection
24. Recover \$848 for the 32 hours of leave the senior personnel specialist did not use for being late during the period of investigation.	Fully Implemented	Department of Forestry and Fire Protection
25. Require the supervisor to provide the senior personnel specialist with a formal annual performance evaluation so that both parties understand office expectations for arriving to work on time and reporting absences and tardiness.	Fully Implemented	Department of Forestry and Fire Protection
26. Take disciplinary action against the supervisor to ensure that he properly supervises his employees and ensures they are fully and accurately accounting for their time.	Fully Implemented	Department of Forestry and Fire Protection

Report Number 2015-102*Central Basin Municipal Water District: Its Board of Directors Has Failed to Provide the Leadership Necessary for It to Effectively Fulfill Its Responsibilities (December 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure the stability of Central Basin Municipal Water District's (district) operations, by June 2016 the district's Board of Directors (board) should establish a formal policy for hiring for the general manager position. Because the current general manager is on a contract set to expire in May 2017, the board should initiate the hiring process for a new general manager or begin the process of renegotiating the contract with the current general manager in the fall of 2016.	Fully Implemented	Central Basin Municipal Water District
2. To better address potential ethical violations, the district should implement by June 2016 a means for investigating board members' and staff's potential violations of the district's code of conduct and conflict-of-interest code that would insulate those investigations from undue influence from either the board or the general manager.	Fully Implemented	Central Basin Municipal Water District
3. To evaluate its progress toward its goals and objectives, the district should use its recently adopted strategic plan and issue an annual report that describes the steps it has taken toward achieving the goals and objectives in the strategic plan.	Fully Implemented	Central Basin Municipal Water District
4. To ensure its long-term financial sustainability, the board should complete a long-term financial plan no later than December 2016.	Fully Implemented	Central Basin Municipal Water District
5. To ensure its water rate structure is appropriate to provide the revenue necessary to cover its legitimate costs, the district should complete its planned water rate study no later than the spring of 2017.	Fully Implemented	Central Basin Municipal Water District
6. To strengthen its financial stability against present and future uncertainties, the district should follow its recently adopted reserve policy.	Fully Implemented	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To ensure that it continues to take steps to improve its financial condition and avoids additional costs due to downgrades of its debt credit ratings, the district should immediately create a formal debt management policy. This policy should clearly define its credit objectives and provide guidelines for suitable debt agreements. This policy should also require the district to periodically monitor its specific financial ratios, such as its debt coverage ratio, that are relevant to its credit rating.	Fully Implemented	Central Basin Municipal Water District
8. To help it maintain its current insurance coverage and better position it to negotiate for more cost-effective and appropriate coverage in the future, the board should immediately adopt a policy requiring a four-fifths majority to terminate the district's general manager. Further, the board should review the district's insurance coverage annually and renegotiate costs and coverage amounts as necessary, particularly as the district resolves outstanding legal claims against it.	Fully Implemented	Central Basin Municipal Water District
9. To ensure it holds itself accountable to the public, the district should follow the law and operate in an open and transparent manner by, among other things, disclosing to the public the true nature and purpose of all of its expenditures. To ensure its board makes informed decisions on when it is proper to hold discussions and take votes in closed-session meetings, the district should require its board members to attend training—as soon as possible and biennially thereafter—specifically focused on the Brown Act and its closed-meeting requirements.	Fully Implemented	Central Basin Municipal Water District
10. To make better use of the funds it spends on services, the district should amend its administrative code by June 2016 to limit its sole-source contracts to emergency circumstances and circumstances in which only one vendor can meet the district's needs. Further, before executing any sole-source contracts, the district should require written justification demonstrating the reasons for not competitively bidding the services. The justification should include the background of the purchase, a description of the vendor's uniqueness, an explanation of the consequences of not purchasing from the vendor, market research to substantiate a lack of competition, and an analysis of pricing and alternatives.	Fully Implemented	Central Basin Municipal Water District
11. To ensure that it does not unnecessarily use amendments that limit competitive bidding for its contracts, the district should amend its administrative code by June 2016 to require that it rebid contracts if it significantly changes those contracts' scopes of work, specifically the nature of the services or work products.	Fully Implemented	Central Basin Municipal Water District
12. To ensure its contract amendments reflect the authorization of the board, the district should revise its administrative code to require the general manager to submit a quarterly report to the district's board detailing all its contracts, contract amendments, and contract and amendment dollar amounts.	Fully Implemented	Central Basin Municipal Water District
13. To ensure it receives the best value from its contracts, the district should adopt and implement a policy by June 2016 requiring that it include in all its contracts' scopes of work specific, well-defined deliverables, measurable results, timelines or progress reports, and evaluations of the contractors once they complete the work.	Fully Implemented	Central Basin Municipal Water District
14. To ensure it receives the best value from its contracts, the district should ensure project managers verify services were rendered before approving invoices for payment by June 2016.	Fully Implemented	Central Basin Municipal Water District
15. To ensure it receives the best value from its contracts, the district should create processes by June 2016 for project managers to organize and retain contract files that include important documents such as vendor performance and deliverable verification and acceptance.	Fully Implemented	Central Basin Municipal Water District
16. To ensure its employees are able to properly administer contracts, by September 2016 the district should follow through with its plan to require that staff responsible for project management attend training by a reputable trainer on contract management.	Fully Implemented	Central Basin Municipal Water District
17. To minimize its risk when contracting with vendors, the district should adhere to its administrative code and execute all contracts only after approval by its general counsel. Further, the district should amend its administrative code to prohibit engaging in a verbal contract. Finally, the district should continue to report to its finance committee all sole-source contracts and contracts entered under the general manager's authority.	Fully Implemented	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18. To ensure its expenditures do not constitute gifts of public funds, the district should immediately eliminate its allocation of funds to individual board members for community outreach.	Fully Implemented	Central Basin Municipal Water District
19. To ensure its expenditures do not constitute gifts of public funds, the district should develop policies that specify limitations on the types of activities it will sponsor in the future to ensure that it funds only those organizations whose activities have a direct link to its authorized purposes. For example, it should eliminate its purchase of holiday turkeys.	Fully Implemented	Central Basin Municipal Water District
20. To ensure its expenditures do not constitute gifts of public funds, the district should revise its administrative code by June 2016 to include more specific guidance as to what constitutes a reasonable and necessary use of public funds. The guidance should establish restrictions on the amount spent for board member installation ceremonies. It should also include a process for the district to ensure that expenses are reasonable and necessary before it pays them.	Fully Implemented	Central Basin Municipal Water District
21. To ensure it considers the most qualified candidates for positions, the district should follow its established hiring policies. Specifically, it should use a competitive hiring process and ensure that its board first formally approves all positions for which the district recruits. Further, the district should consider for employment only individuals who meet the established minimum qualifications for the positions for which they have applied. If the district believes certain qualifications are not necessary for a position, it should indicate in the position description that such qualifications are desirable but not required.	Fully Implemented	Central Basin Municipal Water District
22. To ensure that it does not inappropriately grant undeserved raises to its staff, the district should follow its policy to provide annual performance evaluations to all employees.	Fully Implemented	Central Basin Municipal Water District
23. To ensure it is efficiently using its resources, the district should eliminate its board members' automobile or transportation allowances and instead reimburse them based on their business mileage or transit use.	Partially Implemented	Central Basin Municipal Water District
24. To ensure it is efficiently using its resources, the district should periodically analyze and, beginning in June 2016, report to the board whether all elements of its board member compensation, including health and related benefits, are appropriate and reflect the common practices of special districts.	Fully Implemented	Central Basin Municipal Water District
25. To ensure it is efficiently using its resources, the district should adopt a policy that its general managers will participate in benefits at the same level as district staff and that the board will negotiate the general managers' contracts on the basis of salary and not other benefits, such as retirement.	Fully Implemented	Central Basin Municipal Water District
26. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for air travel that is coach or an equivalent class.	Fully Implemented	Central Basin Municipal Water District
27. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for meetings and conferences that have a direct connection to water policy or the district's mission. It should update its list of such preapproved meetings accordingly.	Fully Implemented	Central Basin Municipal Water District
28. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for lodging expenses that reflect group or government rates, unless there is documentation that such rates are unavailable.	Fully Implemented	Central Basin Municipal Water District
29. To ensure it reimburses only reasonable and necessary meal expenses, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure that all board members and staff, especially those who process reimbursement claims, are familiar with its meal reimbursement limits.	Fully Implemented	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
30. The district should revise its administrative code by June 2016 to prohibit paying for or reimbursing meals that occur within the local area that involve meetings either between only district representatives or between district representatives and the district's contractors.	Fully Implemented	Central Basin Municipal Water District
31. The district should revise its administrative code by June 2016 to prohibit paying for the costs of meals provided to third parties.	Fully Implemented	Central Basin Municipal Water District
32. To ensure it complies with state law and its own administrative code, the district should require board members to report back to the board on meetings and conferences they attend at the district's expense. The district should record these reports in meeting minutes or document them in expense files before it reimburses the board members for their travel expense claims.	Fully Implemented	Central Basin Municipal Water District
33. To ensure the efficient and effective delivery of imported and recycled water in southeastern Los Angeles County, the Legislature should pass special legislation to preserve the district as an independent entity but modify the district's governance structure. In doing so, the Legislature should consider a governance structure that ensures the district remains accountable to those it serves; for example, the district's board could be changed from one elected by the public at large to one appointed by the district's customers.	Legislation Enacted	Legislature

Report Number I2016-1

Investigations of Improper Activities by State Agencies and Employees: Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds (February 2016)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. The Department of Fish and Wildlife (Fish and Wildlife) should take appropriate corrective or disciplinary action against the employee for his improper governmental activities, including reducing the employee's leave balance by 14 hours to account for the two days he did not work and did not attend the retirement fair.	Resolved	Department of Fish and Wildlife
3. Fish and Wildlife should recover \$323 related to the employee's inappropriate reimbursement and misuse of state resources.	Fully Implemented	Department of Fish and Wildlife
4. Fish and Wildlife should, in the future, require its employees to provide proof of their presence when attending trainings or business-related events on state time.	Resolved	Department of Fish and Wildlife
6. Water Resources should provide training to all officials who approve training requests regarding the difference between training categories, the maximum calendar year reimbursement limitations for each category, and the required documentation to support expense claims, including proof of attendance.	Pending	Department of Water Resources
7. Water Resources should amend the training request form and the training plan form to require that approving officials include written justification for the selected training category.	Pending	Department of Water Resources
8. Water Resources should amend the training request form to require that division chiefs or higher level executives provide written justification for their approval of reimbursements beyond the maximum \$2,000 per year amount allowed for job-related training.	Pending	Department of Water Resources
9. Water Resources should provide training to all training coordinators regarding their responsibility to track each employee's total calendar year reimbursement for each training category other than job-required training.	Pending	Department of Water Resources
10. Water Resources should require division chiefs and the training chief to review and approve training requests for all job-required and job-related training.	Resolved	Department of Water Resources
11. Water Resources should require the last official who approves an employee's expense claim for job-required and job-related training to forward that claim to the training division, the division of fiscal services, or both, for a separate review of the employee's training forms and supporting documents before Water Resources reimburses the employee.	Pending	Department of Water Resources

Report Number 2015-120

California Department of Transportation: Its Maintenance Division's Allocations and Spending for Field Maintenance Do Not Match Key Indicators of Need (March 2016)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better align the Caltrans Division of Maintenance's (maintenance division) allocations with districts' maintenance needs, the Legislature should include language in the Budget Act that requires the maintenance division to develop and implement a budget model for field maintenance by June 30, 2017, that takes into account key indicators of maintenance need, such as traffic volume, climate, service scores, and any other factors the maintenance division deems necessary to ensure that the model adequately considers field maintenance need.	No Action Taken	Legislature
2. To better align the maintenance division's allocations with districts' maintenance needs, the Legislature should include language in the Budget Act that requires the maintenance division to develop and implement a budget model for field maintenance by June 30, 2017, that takes into account key indicators of maintenance need, such as traffic volume, climate, service scores, and any other factors the maintenance division deems necessary to ensure that the model adequately considers field maintenance need. Once the model is developed, Caltrans should use it to inform appropriate allocations to the districts.	Pending	Department of Transportation
3. Caltrans should revise the language in its future five-year maintenance plans to accurately describe the method it uses to allocate field maintenance funding to its districts.	Pending	Department of Transportation
4. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should assess whether districts are using funds in a manner commensurate with indicators of need included in its new budget model.	Pending	Department of Transportation
5. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should implement the zone-level evaluation of service scores contemplated in the earlier budget model that it abandoned.	Pending	Department of Transportation
6. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should establish zone-specific service score goals for all of the field maintenance activities it deems critical to ensuring a safe and usable state highway system and require districts to meet those goals for all the zones within their borders.	Pending	Department of Transportation
7. To ensure that it performs field maintenance work consistently on highways with similar needs, the maintenance division should implement the requirements for strategically planning field maintenance work that it previously included in its maintenance manual or develop similar requirements that it believes are feasible and ensure that supervisors plan and schedule field maintenance work based on service scores. Caltrans should require superintendents and regional managers to approve those plans. Caltrans should also require supervisors and superintendents to monitor progress toward improving service scores.	Pending	Department of Transportation
8. Caltrans should require its staff to verify and update the status of all outstanding service requests. Additionally, Caltrans should require supervisors to monitor completion of service requests by reviewing the data from the service request system monthly to identify service requests not completed after a period of time that Caltrans deems appropriate, such as 30 days. For all service requests outstanding after this period, Caltrans should require its supervisors to determine the status of the service request by reviewing the related work order that records what work Caltrans completed and ensure the work is appropriately prioritized. Also, Caltrans should require its staff to record all service requests it receives via methods other than Caltrans' website, such as by phone, mail, or email, in its service request system to ensure it captures all service requests in one central repository.	Pending	Department of Transportation
9. To detect and prevent fraud, waste, and abuse and to ensure costs are appropriate, the maintenance division should strengthen its controls over reviewing and approving work order costs by requiring its supervisors and superintendents to document their review and approval of work orders in the maintenance management system. For example, supervisors or superintendents could include a note in the comment field of the work order indicating their review and approval. The maintenance division could also establish a reasonable dollar threshold for those work orders that would require documented review and approval.	Fully Implemented	Department of Transportation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To ensure that field maintenance work orders are completed in a timely manner, the maintenance division should require supervisors to initiate work orders in the integrated maintenance management system at the time that they identify field maintenance work that needs to be performed and record the date that work was started and the date the work was completed. Superintendents should periodically review work orders to ensure that identified work is completed in a timely manner.	Fully Implemented	Department of Transportation

Report Number 2015-125

San Joaquin Valley Air Pollution Control District: To Cover Its Costs, It Recently Increased Permit Fees and Continues to Use Supplemental Revenue but Can Improve Consistency and Transparency for Certain Program Requirements (April 2016)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure consistency among its published policy, internal methodology, and indemnification agreements so that permit applicants are aware of the San Joaquin Valley Air Pollution Control District's (district) requirements and are treated equally, by July 2016 the district should update its internal methodology and indemnification agreements to contain equivalent information that reflect its revised published policy.	Fully Implemented	San Joaquin Valley Air Pollution Control District
2. To make certain that it can demonstrate consistency and transparency in its decision-making process when it determines which permit applicants it requires to provide additional financial security, the district—after it updates its guidance documents—should follow its revised published policy and updated internal methodology for requiring indemnification agreements and letters of credit.	Fully Implemented	San Joaquin Valley Air Pollution Control District
3. To ensure that the district is adequately protected from the costs of litigation, it should develop a protocol to maintain all required legal documents accurately and to make sure that those documents remain in effect. By July 2016, the district should adopt such a protocol for management of its centralized system for requesting, tracking, storing, and following up on indemnification agreements and letters of credit.	Fully Implemented	San Joaquin Valley Air Pollution Control District

Report Number I2016-2

Investigations of Improper Activities by State Agencies and Employees: Conflict of Interest, Violation of Post-Employment Ethics Restrictions, Waste of State Funds, Misuse of State Resources, and Incompatible Activities (August 2016)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Take appropriate corrective action against the district engineer and the supervisors for their participation in or failure to address the conflict of interest.	Partially Implemented	Water Resources Control Board
2. Through training and other appropriate means, take steps to ensure the district engineer and others in similar positions do not participate in decisions involving their own economic interests.	Partially Implemented	Water Resources Control Board
3. Provide training to those responsible for reviewing statements of economic interests regarding how to identify conflicts of interests and when to consult with legal counsel.	Pending	Water Resources Control Board
4. Refer this case to the Fair Political Practices Commission (FPPC) so it can determine whether further action is warranted.	Fully Implemented	Water Resources Control Board
13. Pursue rent and utility payments due from the mobile home park's tenants on a regular and timely basis. This will require that Caltrans develop a means to read the submeters of the mobile home park's tenants.	Partially Implemented	Department of Transportation
14. Initiate appropriate collection procedures and, if necessary, eviction procedures for tenants who are delinquent in the payment of rent, utilities, or late fees.	Partially Implemented	Department of Transportation
15. Immediately begin eviction procedures against the two individuals illegally occupying two mobile homes within the mobile home park.	Partially Implemented	Department of Transportation
16. Take appropriate corrective or disciplinary action against the officer for failing to follow policy in accepting items of value from a vendor who did business with State Parks.	Fully Implemented	Department of Parks and Recreation

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17. Take appropriate corrective or disciplinary action against the supervisor for his failure to properly direct the officer to take appropriate action regarding the sunglasses and for purchasing a pair of the sunglasses.	Fully Implemented	Department of Parks and Recreation
18. Provide training to relevant staff on the appropriate actions to take if they receive something of value from any individual or entity that does business with State Parks.	Fully Implemented	Department of Parks and Recreation
23. Determine the total cost of the charges that the supervisor incurred due to her misuse of the state-issued cell phone and seek repayment.	Fully Implemented	Department of Parks and Recreation
24. Determine whether the supervisor misused state-compensated time to conduct personal business during her normal work hours by reviewing her cell phone records and identifying the time and duration of calls that occurred during her workdays.	Fully Implemented	Department of Parks and Recreation
25. Take appropriate corrective and disciplinary action against the supervisor for misusing her state-issued cell phone for personal purposes and, if applicable, for conducting private business during state-compensated time.	Fully Implemented	Department of Parks and Recreation
26. Provide training to right-of-way agents and their supervisors in District 10 regarding the challenges it faces with this mobile home park.	Partially Implemented	Department of Transportation

* The status of recommendations for audits issued between November and December 2016 is based on the entity's initial response, which is included in the original audit report, available on the California State Auditor's (state auditor) website: www.auditor.ca.gov