

# Contents

Table 1	
<i>Recommendation Status Summary</i>	1
<b>Subcommittee 4 on State Administration and General Government</b>	
<b>Report Number 2014-116 California Department of Consumer Affairs' BreEZe System: Inadequate Planning and Oversight Led to Implementation at Far Fewer Regulatory Entities at a Significantly Higher Cost (February 2015)</b>	1
<b>Report Number 2014-602 High Risk Update—California Department of Technology: Lack of Guidance, Potentially Conflicting Roles, and Staffing Issues Continue to Make Oversight of State Information Technology Projects High Risk (March 2015)</b>	3
<b>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)</b>	4
<b>Report Number 2014-131 California State Government Websites: Departments Must Improve Website Accessibility So That Persons With Disabilities Have Comparable Access to State Services Online (June 2015)</b>	5
<b>Report Number 2015-505 Follow-Up—California Department of Veterans Affairs: Better Collection and Use of Data Would Improve Its Outreach Efforts, and It Needs to Strengthen Its Oversight of County Veterans Service Officer Programs (July 2015)</b>	6
<b>Report Number 2015-611 High Risk Update—Information Security: Many State Entities' Information Assets Are Potentially Vulnerable to Attack or Disruption (August 2015)</b>	7
<b>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)</b>	8
<b>Report Number 2015-508 Follow-Up—Federal Workforce Investment Grants: The Employment Development Department Established Procedures for Seeking Discretionary Grants, but Needs to Strengthen Them (September 2015)</b>	9

<b>Report Number 2015-119 State Board of Equalization:</b> Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible (February 2016)	9
<b>Report Number I2016-1 Investigations of Improper Activities by State Agencies and Employees:</b> Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds (February 2016)	10
<b>Report Number 2015-117 California Department of General Services' Real Estate Services Division:</b> To Better Serve Its Client Agencies, It Needs to Track and Analyze Project Data and Improve Its Management Practices (March 2016)	10
<b>Report Number 2015-134 Residential Building Records:</b> The Cities of San Rafael, Novato, and Pasadena Need to Strengthen the Implementation of Their Resale Record Programs (March 2016)	11
<b>Report Number 2015-127 Corporate Income Tax Expenditures:</b> The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness (April 2016)	15
<b>Report Number 2015-132 County Pay Practices:</b> Although the Counties We Visited Have Rules in Place to Ensure Fairness, Data Show That a Gender Wage Gap Still Exists (May 2016)	15
<b>Report Number 2015-121 California Department of Veterans Affairs:</b> The State Paid Nearly \$28 Million for a Flawed System That Fails to Meet the Needs of Its Veterans Homes (June 2016)	17
<b>Report Number 2015-116 City of Irvine:</b> Poor Governance of the \$1.7 Million Review of the Orange County Great Park Needlessly Compromised the Review's Credibility (August 2016)	18
<b>Report Number 2016-106 Los Angeles County:</b> Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue (November 2016)	19
<b>Report Number 2016-110 Trade Apprenticeship Programs:</b> The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program (November 2016)	20
<b>Report Number 2016-111 City of Irwindale:</b> It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents (November 2016)	20

**Table 1**  
**Recommendation Status Summary**

**Senate Budget Subcommittee 4 on State Administration and General Government**

<b>Report Number 2014-116</b>		
<i>California Department of Consumer Affairs' BreEZe System: Inadequate Planning and Oversight Led to Implementation at Far Fewer Regulatory Entities at a Significantly Higher Cost (February 2015)</i>		
<b>RECOMMENDATION</b>	<b>STATUS OF RECOMMENDATION</b>	<b>ENTITY</b>
1. To ensure that it receives timely and meaningful information regarding the status of the BreEZe project, the Legislature should enact legislation that requires the Department of Consumer Affairs (Consumer Affairs) to submit a statutory report annually, beginning on October 1, 2015, that will include Consumer Affairs' plan for implementing BreEZe at those regulatory entities included in the project's third phase, including a timeline for the implementation.	No Action Taken	Legislature
2. To ensure that it receives timely and meaningful information regarding the status of the BreEZe project, the Legislature should enact legislation that requires Consumer Affairs to submit a statutory report annually, beginning on October 1, 2015, that will include the total estimated costs through implementation of the system at the remaining 19 regulatory entities and the results of any cost-benefit analysis it conducted for phase 3.	No Action Taken	Legislature
3. To ensure that it receives timely and meaningful information regarding the status of the BreEZe project, the Legislature should enact legislation that requires Consumer Affairs to submit a statutory report annually, beginning on October 1, 2015, that will include a description of whether and to what extent the system will achieve any operational efficiencies resulting from implementation by the regulatory entities.	No Action Taken	Legislature
4. To help ensure the success of the BreEZe project going forward, the California Department of Technology (Technology Department) should ensure that Consumer Affairs responds promptly to, and adequately addresses, concerns raised by its independent project oversight (IPO) specialist and its independent verification and validation (IV&V) consultant.	Fully Implemented	California Department of Technology
5. To help ensure the success of the BreEZe project going forward, Technology Department should require Consumer Affairs to develop and follow all project management plans and ensure that the BreEZe project team leads receive all required training.	Fully Implemented	California Department of Technology
6. To help ensure the success of the BreEZe project going forward, Technology Department should document key discussions with Consumer Affairs in which significant concerns are raised about Accenture and assessments of the department's performance by the IV&V consultant and the IPO specialist.	Fully Implemented	California Department of Technology
7. If Consumer Affairs receives the necessary funding and resources to successfully implement BreEZe at the phase 2 regulatory entities and the project continues to face escalating costs, Technology Department should require Consumer Affairs to conduct an analysis of the costs and benefits of moving forward with the project as planned or of suspending or terminating the project.	Resolved	California Department of Technology
8. Continue implementing the State Technology Approval Reform (STAR) project for state departments and ensure that its framework requires departments undertake detailed business process analyses before submitting feasibility study reports to Technology Department for approval.	Fully Implemented	California Department of Technology
9. Continue implementing the STAR project for state departments and ensure that its framework requires departments use detailed business process analyses to justify the type of information technology (IT) solution they are proposing, such as a commercial off-the-shelf or a fully customized system.	Fully Implemented	California Department of Technology
10. Continue implementing the STAR project for state departments and ensure that its framework requires departments use detailed business process analyses to inform the resulting request for proposals (RFPs) and that they ensure that the RFPs contain adequate requirements.	Fully Implemented	California Department of Technology
11. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should require state departments to follow its IT policies, including developing all necessary plans and receiving all required training.	Not Fully Implemented	California Department of Technology

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should ensure that departments obtain IPO and IV&V services as soon as an IT project is approved. Additionally, Technology Department should document key discussions with any department in which the IV&V consultant and the IPO specialist raise significant concerns about a project, and ensure that the respective department responds promptly to, and adequately addresses, the concerns that the IPO specialist and the IV&V consultant raise.	Not Fully Implemented	California Department of Technology
13. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should require state departments to appropriately address deficiencies identified in Technology Department's approval of any SPRs as conditions that must be met, and to do so according to specified timelines. If the deficiencies are not adequately addressed within the specified timelines, Technology Department should take action to suspend the project until the department has either resolved the identified deficiencies or adequately documented its justification for not addressing the deficiencies.	Not Fully Implemented	California Department of Technology
14. To ensure that IT projects have the oversight needed to better position them for success, Technology Department should develop thresholds relating to IT project cost increases and schedule delays to inform and better justify its decision to allow an IT project to continue. If a department's IT project reaches or exceeds these thresholds, Technology Department should require the department to conduct a cost-benefit analysis for the project and include this analysis in an SPR. Technology Department should consider the results of this analysis in its decision to approve or deny the SPR and, if warranted, take action to suspend or terminate the project so that it does not allow projects with significant problems to continue without correction.	Not Fully Implemented	California Department of Technology
15. To make certain that Consumer Affairs has a project team that consists of staff trained in managing IT projects, it should ensure that all the BreEZe project team leads obtain all required project management training.	Fully Implemented	Department of Consumer Affairs
16. Consumer Affairs should develop a process to ensure that it prepares all required project management documents and undertakes all oversight activities related to BreEZe as Technology Department requires so that it can prevent or identify and monitor future problems as they arise. This includes taking steps to sufficiently respond to any concerns that the IPO specialist and the IV&V consultant raise.	Fully Implemented	Department of Consumer Affairs
17. To the extent that Consumer Affairs chooses to implement BreEZe at the phase 3 regulatory entities, it should first complete a formal cost-benefit analysis to ensure that BreEZe is a cost-effective solution to meet these regulatory entities' business needs. To make certain this analysis is complete, it should include an assessment of the potential changes these regulatory entities may require to be made of the BreEZe system and the associated costs. Consumer Affairs should complete the cost-benefit analysis before investing any more resources into the implementation of BreEZe at the phase 3 regulatory entities, and it should update this analysis periodically as significant assumptions change.	Not Fully Implemented	Department of Consumer Affairs
18. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, system requirements that are specific to each regulatory entity as applicable.	Fully Implemented	Department of Consumer Affairs
19. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, a project team that is qualified and experienced.	Fully Implemented	Department of Consumer Affairs
20. If Consumer Affairs determines that a new IT system is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, development of and adherence to all project management plans.	Fully Implemented	Department of Consumer Affairs
21. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, planning and implementation of effective organizational change management.	Fully Implemented	Department of Consumer Affairs
22. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, timely response to concerns that the IV&V consultant and the IPO specialist raise.	Fully Implemented	Department of Consumer Affairs
23. If Consumer Affairs determines that a new IT project is warranted in the future, it should develop a process to ensure the success of that project that includes, at a minimum, sufficient staffing.	Fully Implemented	Department of Consumer Affairs

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should document its reasons for approving any deviations from standard contract language.	Fully Implemented	California Department of Technology
25. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should ensure that contract language gives departments the rights to the source code necessary to complete the project if a contract is terminated for convenience.	Fully Implemented	California Department of Technology
26. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should ensure that contract language contains assurances that state funds will not be used for unauthorized purposes.	Fully Implemented	California Department of Technology
27. To ensure that future IT project procurements do not jeopardize the State's financial interests, Technology Department's procurement division should ensure that contracting departments can appropriately manage IT maintenance support contracts by including service-level agreements in these contracts.	Fully Implemented	California Department of Technology
28. To ensure that contracting departments comply with requirements, Technology Department should periodically monitor the status of contracts and enforce adherence to procurement requirements. For example, Technology Department should ensure that contracting departments forward all change requests to it and that it conducts reviews of all change requests to determine whether the changes exceed the scope of the respective contract.	Not Fully Implemented	California Department of Technology
29. To ensure that it complies with all terms of the BreZE contract, Consumer Affairs should develop and follow a process for doing so, including documenting how it has met applicable contract terms, such as forwarding all change requests to Technology Department.	Fully Implemented	Department of Consumer Affairs
34. Consumer Affairs should continue to work with the phase 1 regulatory entities to ensure that the issues they are facing with BreZE are being resolved in a timely manner, with particular attention to understanding their reporting needs and improving the system's reporting capabilities.	Fully Implemented	Department of Consumer Affairs
35. To ensure that future training for BreZE system rollouts is timely and effective, Consumer Affairs should provide training on the BreZE system as close to the rollout date as possible to ensure that staff retain the information for using the system as it is implemented.	Not Fully Implemented	Department of Consumer Affairs
36. To ensure that future training for BreZE system rollouts is timely and effective, Consumer Affairs should work with the regulatory entities to develop training that is specific to each entity's business processes.	Not Fully Implemented	Department of Consumer Affairs

**Report Number 2014-602**

*High Risk Update—California Department of Technology: Lack of Guidance, Potentially Conflicting Roles, and Staffing Issues Continue to Make Oversight of State Information Technology Projects High Risk (March 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. By December 2015, Technology Department should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including when and how IPO analysts should recommend corrective action and escalate issues to Technology Department's management.	Not Fully Implemented	California Department of Technology
2. By December 2015, Technology Department should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including when and what Technology Department should require that sponsoring agencies perform as remedial actions, and what sanctions Technology Department will impose for noncompliance with these remedial actions.	Not Fully Implemented	California Department of Technology
3. By December 2015, Technology Department should develop and adopt criteria to guide the type and degree of intervention it will take to prevent IT projects with significant problems from continuing without correction, including what conditions could trigger Technology Department to consider suspending or terminating an IT project.	Not Fully Implemented	California Department of Technology

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To clarify and reinforce its oversight authority with sponsoring agencies, by December 2015 Technology Department should develop a method to formally document and communicate its expectations with the sponsoring agencies whose projects are under Technology Department's oversight.	Not Fully Implemented	California Department of Technology
5. To help ensure the independence and objectivity of IPO analysts working in the oversight and consulting division, Technology Department should develop a policy outlining expectations for independence and objectivity while performing oversight of IT projects.	Fully Implemented	California Department of Technology
6. To help ensure the independence and objectivity of IPO analysts working in the oversight and consulting division, Technology Department should provide regular training regarding maintaining independence while conducting project oversight.	Partially Implemented	California Department of Technology
7. To better track its oversight actions and sponsoring agencies' responses to these actions, Technology Department should retain the briefing documents created for the State CIO's portfolio meetings and the project status reports that sponsoring agencies submit while project oversight is ongoing.	Fully Implemented	California Department of Technology
8. To better track its oversight actions and sponsoring agencies' responses to these actions, Technology Department should record action items from all portfolio meetings.	Fully Implemented	California Department of Technology
9. To ensure that the sponsoring agencies' project status reports provide a reliable and consistent assessment of an IT project's progress, Technology Department should develop and adopt specific standards that describe how to calculate and report the project's current status.	Not Fully Implemented	California Department of Technology
10. To attract and retain employees with appropriate experience and qualifications to perform IT project oversight, Technology Department should continue its efforts to gain approval to modify and use the project manager classification for the IPO analyst role.	Not Fully Implemented	California Department of Technology
11. To ensure that it provides the appropriate level of oversight for IT projects under development, by December 2015 Technology Department should conduct a workload assessment to determine the level of staffing and expertise required for each IT project it oversees.	Fully Implemented	California Department of Technology
12. Using the workload assessment that we recommended Technology Department complete by December 2015, Technology Department should make decisions to assign staffing to oversee each IT project. This staffing could include contracted IPO consultants in those situations when Technology Department staff either are unavailable or lack the expertise needed.	Fully Implemented	California Department of Technology
13. To improve its oversight training, by June 2015 Technology Department should continue to implement a consistent and repeatable training plan for IPO analysts, which includes contract management, project assessment, IT systems engineering, and maintaining independence.	Not Fully Implemented	California Department of Technology
14. By June 2015, Technology Department should put in place a system to track IPO analysts' training hours to ensure that all IPO analysts have completed the necessary California Project Management Methodology training curriculum.	Fully Implemented	California Department of Technology

**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
1. The Legislature should consider amending state law to expressly authorize the California Department of Human Resources (CalHR) to oversee efforts across state departments for workforce and succession planning, such as by monitoring the development and implementation of plans, and to compel departments to provide it with information concerning such planning. Further, the Legislature should consider requiring that CalHR update it on an annual basis, beginning in fiscal year 2016–17, on the status of the workforce and succession planning at state departments.	Partially Implemented	Legislature
2. To improve the guidance that CalHR provides departments on how to mitigate the challenges of an aging workforce that will result in the retirement of many highly experienced employees, CalHR should develop a process by December 2015 to periodically evaluate and update its workforce and succession planning materials.	Fully Implemented	California Department of Human Resources

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that CalHR's reviews of departments' workforce and succession plans are consistent and reflect all best practices it recommends on its website, CalHR should revise its evaluation tool by June 2015 to include all of these best practices and other best practices it subsequently identifies.	Fully Implemented	California Department of Human Resources
4. To better enable CalHR to provide assistance to departments that is tailored to their needs, CalHR should survey state departments at least biannually to determine how the departments perceive the effectiveness of the resources and tools CalHR makes available to them.	Fully Implemented	California Department of Human Resources
5. To help ensure that state departments are prepared to address the loss of highly experienced employees, CalHR should obtain annually workforce and succession plans from all departments by June 30, starting in 2016, as well as any updates to and implementation status of the plans.	Fully Implemented	California Department of Human Resources
6. To ensure that CalHR can complete its workforce and succession planning workload on a timely basis and address other priorities that may arise, CalHR should develop an annual plan for the workforce planning unit by July 2015, and annually thereafter, that identifies the activities it plans to accomplish in the following fiscal year and the necessary resources. The plan should include, but not be limited to, activities such as evaluating the effectiveness of its guidance to departments, offering training sessions, conducting reviews of department workforce and succession plans, and addressing strategic initiatives.	Fully Implemented	California Department of Human Resources
7. To more adequately promote succession planning, CalHR should develop additional resources for departments to follow in developing succession plans by December 2015 and post the information on its website.	Fully Implemented	California Department of Human Resources
8. To improve state departments' knowledge of CalHR's resources and tools, CalHR should expand the content of its outreach emails to promote all its resources and tools.	Fully Implemented	California Department of Human Resources

**Report Number 2014-131**

*California State Government Websites: Departments Must Improve Website Accessibility So That Persons With Disabilities Have Comparable Access to State Services Online (June 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To maximize the accessibility of California's websites, the Legislature should amend state law to require that all state websites conform to WCAG 2.0 standards at compliance level AA in addition to the Section 508 standards.	No Action Taken	Legislature
2. To help ensure that California's accessibility standards remain current, the Legislature should amend state law to require Technology Department to monitor commonly accepted accessibility standards and apprise the Legislature of any changes to those standards that California should adopt.	No Action Taken	Legislature
5. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, the California Franchise Tax Board (Franchise Tax Board) should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Fully Implemented	Franchise Tax Board
6. To ensure that it addresses barriers to the accessibility of its website for persons with disabilities, CalHR should, no later than December 1, 2015, correct the accessibility violations we found during our review.	Fully Implemented	California Department of Human Resources
9. No later than December 1, 2015, Franchise Tax Board should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Partially Implemented	Franchise Tax Board
10. No later than December 1, 2015, CalHR should develop a plan to determine whether the accessibility violations we identified exist on other portions of its online presence that we did not include in the scope of our review. Once this plan is executed, it should correct violations wherever it finds them and do so no later than June 1, 2016.	Fully Implemented	California Department of Human Resources

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11. To ensure that state governmental entities have a clearly identified resource for web accessibility training, the Legislature should amend state law to name Technology Department as the lead agency responsible for providing training to state governmental entities on web accessibility issues, in consultation with Rehabilitation and other state departments as it determines necessary.	No Action Taken	Legislature
12. To ensure that governmental entity personnel have the information and tools necessary to develop and maintain accessible websites, the Legislature should require governmental entities to provide or obtain web accessibility training at least once every three years for staff involved in the procurement or development of websites or web-based services.	No Action Taken	Legislature
13. To help ensure that all state governmental entities appropriately test their websites for accessibility, the Legislature should direct all state governmental entities to report every other year to Technology Department regarding the frequency and method of their web accessibility testing and their efforts to resolve accessibility issues they identify. Such reporting should include signed certifications from the highest-ranking technology officer at the governmental entity and documentation that supports the claimed testing as well as the entity's effort to fix identified issues. Further, the Legislature should direct Technology Department to assess the sufficiency of each governmental entity's testing and remediation approach and publicize the results of its review online.	No Action Taken	Legislature
16. To ensure that updates to its website are tested for accessibility, by July 31, 2015, CalHR should develop and follow a written test approach that describes how and when changes to its website will be reviewed. This plan should describe how the department will include both automated and manual forms of accessibility testing.	Fully Implemented	California Department of Human Resources
18. To ensure that it can adequately track the results of its accessibility testing, by July 31, 2015, CalHR should develop tracking tools that will allow it to document its testing efforts. At a minimum, these tools should track what portions of its jobs site were tested, what errors were found, and whether and when those errors were addressed.	Fully Implemented	California Department of Human Resources
22. So that complaints from the public do not go unaddressed, by July 31, 2015, CalHR should develop procedures for addressing complaints about the accessibility of its website and methods for tracking the complaints it receives and their resolution.	Fully Implemented	California Department of Human Resources
23. To ensure that all state departments are reminded about web accessibility requirements and best practices, by July 31, 2015, Technology Department should issue an official reminder that directs state departments to key policy documents and the SIMM for additional information about how to meet their obligation to provide accessible websites.	Fully Implemented	California Department of Technology
25. To help state websites achieve a higher degree of overall accessibility, by July 31, 2015, Technology Department should post standard browser usability features and links to further information on its resources website, and direct all state departments to include this information on their websites.	Fully Implemented	California Department of Technology
26. To standardize California's approach to web accessibility testing, Technology Department should issue a policy that specifies the method by which state departments should conduct web accessibility testing. This policy should include information about a minimum combination of operating systems, browsers, and assistive technologies that should be used during testing.	Fully Implemented	California Department of Technology

**Report Number 2015-505**

*Follow-Up—California Department of Veterans Affairs: Better Collection and Use of Data Would Improve Its Outreach Efforts, and It Needs to Strengthen Its Oversight of County Veterans Service Officer Programs (July 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The California Department of Veterans Affairs (CalVet) should fully implement the recommendations from our 2009 report.	Partially Implemented	Department of Veterans Affairs
2. The CalVet Veterans Services Division (Veterans Services) should develop and implement a plan by December 31, 2015, to routinely analyze and use myCalVet data to identify trends in the services veterans and their families indicate they are most interested in and incorporate the results of such analyses into its outreach efforts.	Not Fully Implemented	Department of Veterans Affairs

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To determine the most successful methods for informing veterans and their families about the myCalVet website, and to increase the number of registered users, Veterans Services should evaluate myCalVet data to identify which marketing methods were most effective in informing registered users about the website. Veterans Services should complete this analysis on an annual basis, beginning no later than December 31, 2015.	Fully Implemented	Department of Veterans Affairs
4. To enhance the effectiveness of its outreach activities, CalVet should initiate, by October 31, 2015, steps to establish a regulation, in accordance with state law, that will require the local County Veterans Service Officer programs (CVSOs) to report information on their outreach activities to CalVet.	Fully Implemented	Department of Veterans Affairs
5. To ensure that the funding it distributes to the CVSOs is consistent with their actual workloads, Veterans Services should, by December 31, 2015, develop and implement procedures to more thoroughly review the accuracy of the data in the CVSOs' workload activity reports by reviewing the records that are the basis of the reports.	Fully Implemented	Department of Veterans Affairs
6. To ensure correctness, completeness, and consistency in its audits of the CVSOs' workload activity reports, Veterans Services should formalize and document its audit procedures for reviewing these reports by December 31, 2015.	Fully Implemented	Department of Veterans Affairs
7. To improve its oversight of the College Fee Waiver Program and ensure that the CVSOs are not erroneously waiving college fees, Veterans Services should develop and implement a review process for college fee waivers by December 31, 2015.	Fully Implemented	Department of Veterans Affairs

**Report Number 2015-611**

*High Risk Update—Information Security: Many State Entities' Information Assets Are Potentially Vulnerable to Attack or Disruption (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To improve reporting entities' level of compliance with the State's security standards, the Legislature should consider mandating that the Technology Department conduct, or require to be conducted, an independent security assessment of each reporting entity at least every two years. This assessment should include specific recommendations, priorities, and time frames within which the reporting entity must address any deficiencies. If a third party vendor conducts the independent security assessment, it should provide the results to the Technology Department and the reporting entity.	Legislation Enacted	Legislature
2. To improve reporting entities' level of compliance with the State's security standards, the Legislature should consider authorizing the Technology Department to require the redirection of a reporting entity's legally available funds, subject to the California Department of Finance's approval, for the remediation of information security weaknesses.	No Action Taken	Legislature
3. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should ensure the consistency and accuracy of its self certification process by developing a self assessment tool by December 2015 that reporting entities can use to determine their level of compliance with the security standards. The Technology Department should require reporting entities to submit completed self assessments along with their self certifications.	Not Fully Implemented	California Department of Technology
4. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should provide more extensive guidance and training to reporting entities regarding the self certification process, including training on how they should use the new self assessment tool.	Not Fully Implemented	California Department of Technology
5. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should develop internal policies and procedures to ensure that it reviews all reporting entities' self assessments and self certifications, including requiring supporting evidence of compliance when feasible.	Fully Implemented	California Department of Technology
6. To assist reporting entities in reaching full compliance with the security standards, the Technology Department should annually follow up on the remediation plans that reporting entities submit.	Fully Implemented	California Department of Technology

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To provide effective oversight of reporting entities' information security, the Technology Department should expand on its pilot audit program by developing an ongoing risk based audit program. If the Technology Department requests additional resources, it should fully support its request.	Fully Implemented	California Department of Technology
8. The Technology Department should revise its certification form to require reporting entities to submit detailed information about their compliance with the security standards. It should use this information to track and identify trends in the State's overall information security.	Not Fully Implemented	California Department of Technology
9. The Technology Department should develop policies and procedures to define the process and criteria it will use to incentivize entities' compliance with the security standards.	Not Fully Implemented	California Department of Technology
10. To improve the clarity of the security standards, the Technology Department should perform regular outreach to all reporting entities to gain their perspectives, identify any unclear or inconsistent security standards, and revise them as appropriate.	Not Fully Implemented	California Department of Technology
11. To improve the clarity of the security standards, the Technology Department should develop and regularly provide detailed training on the requirements of the security standards and on best practices for achieving compliance. It should provide these trainings in a variety of locations and formats, including webinars.	Not Fully Implemented	California Department of Technology

**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
20. To recoup some of the wasted funds the Chula Vista Veterans Home spent on purchasing the boom lift, CalVet should determine the boom lift's present-day value and consider either selling or auctioning it.	Resolved	Department of Veterans Affairs
21. To ensure state departments that are considering whether to hire the accounting officer are aware of her improper activities, including using state equipment and materials to type and print a large volume of personal documents, and using her position to improperly access the department's database, the Employment Development Department (Employment Development) should determine what documentation, if any, it should place in the accounting officer's personnel file to indicate that she resigned while under investigation.	Fully Implemented	Employment Development Department
22. To alert future state employers to the supervisor's improper activities, the Department of Industrial Relations (Industrial Relations) should determine what documentation, if any, it should place in the supervisor's personnel file indicating that he resigned while under investigation. The improper activities substantiated by this investigation include misusing state-compensated time and state email account to coordinate the sale of copied movies and music, sending sexually suggestive emails during his work hours, and misusing a state printer to print materials for a co-worker's fitness studio.	Fully Implemented	Department of Industrial Relations
27. Employment Development should pursue appropriate disciplinary action against the employee to ensure that she discontinues misusing public resources.	Fully Implemented	Employment Development Department
33. To ensure that employees limit their personal use of state resources to minimal and incidental use, Industrial Relations should remind employees of the prohibitions against misusing state resources, including time, email, and office space.	Fully Implemented	Department of Industrial Relations

**Report Number 2015-508**

*Follow-Up—Federal Workforce Investment Grants: The Employment Development Department Established Procedures for Seeking Discretionary Grants, but Needs to Strengthen Them (September 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To ensure that its grant-seeking process is effective in considering grant opportunities related to workforce investment, Employment Development should update its grant identification and analysis procedures by December 31, 2015, to include the following:</p> <ul style="list-style-type: none"> <li>• Identification of the appropriate level of management or staff to analyze and document the factors considered in pursuing or forgoing grant opportunities.</li> <li>• Documentation of grant analyses, including factors considered in pursuing or forgoing grant opportunities.</li> <li>• Documentation of decisions related to pursuing or forgoing grants.</li> <li>• A method for ensuring that the process is consistently implemented.</li> <li>• Training of appropriate management or staff about Employment Development’s grant-seeking process.</li> </ul>	Partially Implemented	Employment Development Department
<p>2. To ensure that the State maximizes federal funding opportunities related to workforce investment, Employment Development and the state board should formalize their collaborative grant-seeking procedures by December 31, 2015, to clearly define their respective roles and responsibilities in the grant-seeking process.</p>	Pending	Employment Development Department
<p>3. To ensure that the state board assesses the merits of pursuing federal funding for workforce investment programs in California, it should establish procedures by December 31, 2015, that include, at a minimum, the following:</p> <ul style="list-style-type: none"> <li>• The methods it will use to identify federal grant opportunities.</li> <li>• The factors it will consider in its decisions to pursue or forgo applying for these grants.</li> <li>• The process by which it will document its analyses of grants and its final decisions to either pursue or forgo grant opportunities.</li> <li>• A method for ensuring that the process is consistently implemented.</li> </ul>	Partially Implemented	California Workforce Investment Board
<p>4. To ensure that the State maximizes federal funding opportunities related to workforce investment, Employment Development and the state board should formalize their collaborative grant-seeking procedures by December 31, 2015, to clearly define their respective roles and responsibilities in the grant-seeking process.</p>	Pending	California Workforce Investment Board

**Report Number 2015-119**

*State Board of Equalization: Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible (February 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>1. To make the State Board of Equalization’s (board) Cigarette and Tobacco Products Licensing Program (licensing program) self-supporting, the Legislature should consider passing legislation to implement a funding model that will include a license fee increase or a combination of license fee increases, continued use of money from the Cigarette Tax Fund, and a cigarette tax increase similar to one of the proposed options outlined in this report.</p>	No Action Taken	Legislature
<p>2. Unless the Legislature directs the board to eliminate the Cigarette and Tobacco Products Compliance Fund’s (compliance fund) excess fund balance within a time frame of more than a year, the board should eliminate the excess fund balance by June 30, 2017 by using it to offset the licensing program’s annual funding shortfall. The board should also limit the compliance fund’s future balance to no more than two months’ worth of licensing program expenditures.</p>	Pending	Board of Equalization
<p>3. The board’s Special Taxes Policy and Compliance Division should amend its budgeting process to reflect actual work that supervisors and support staff perform instead of adjusting staff members’ predetermined allocations of time to ensure that the division does not exceed each program’s budget.</p>	Fully Implemented	Board of Equalization

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. The Investigations and Special Operations Division should ensure that investigators charge their time according to division policy and should determine a method to more accurately allocate investigators' time instead of using the predetermined method established in 2005 and since discontinued.	Fully Implemented	Board of Equalization
5. To reduce the licensing program's enforcement cost without compromising the level of increased compliance with the cigarette and tobacco products tax law that the inspection program has produced, the board should reduce the number of annual inspections and reinspections of retailers, distributors, and wholesalers that it conducts each year to reflect changes in the number of licensees that sell cigarette and tobacco products in California. This adjustment should align with the same frequency of inspections that the board followed when it implemented the inspection program, which is 26 percent—or approximately one inspection every four years—of these licensed locations.	Pending	Board of Equalization

**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
15. The Department of General Services (General Services) should immediately revise the statewide policy contained in State Administrative Manual section 4100 so that state agencies are no longer required to use only General Services' vehicle rental services.	Fully Implemented	Department of General Services
16. General Services should notify the California Department of Resources Recycling and Recovery CalRecycle and all other state agencies that it has revised the requirement in State Administrative Manual section 4100.	Fully Implemented	Department of General Services

**Report Number 2015-117**

*California Department of General Services' Real Estate Services Division: To Better Serve Its Client Agencies, It Needs to Track and Analyze Project Data and Improve Its Management Practices (March 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To improve efficiencies and reduce some costs for less complex and easily repeatable projects, the Legislature should authorize the Real Estate Services Division (division) to create and implement a pilot program for job order contracting for appropriate projects, including a requirement that the division award contracts to the most qualified responsive bidders. The division should report to the Legislature on its progress within two years of implementing the pilot program, including, at a minimum, information regarding the time and cost savings the pilot program provided the State.	No Action Taken	Legislature
2. To ensure long-term efficient and effective delivery of projects, the division, in its planned implementation of its new project management system in July 2017, should ensure that the project management system can centrally track and extract all data regarding project status, including time delays, cost overages, and the reasons for each.	Pending	Department of General Services
3. To ensure long-term efficient and effective delivery of projects, the division, in its planned implementation of its new project management system in July 2017, should track the reasons that projects are pending to identify its true backlog of projects. In doing so, it should develop a process to follow up on those projects that are pending to ensure that they are not on hold unnecessarily and are appropriately moving forward.	Pending	Department of General Services
4. To ensure long-term efficient and effective delivery of projects, the division, in its planned implementation of its new project management system in July 2017, should, at least annually, use the centrally tracked data to identify common themes in the causes for project delays and cost overages and develop solutions to address these issues. Further, it should report the results of its review to General Services' executive management.	Pending	Department of General Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. Until the division implements its planned project management system, it should, by September 2016, develop a process to, at a minimum, identify project status and reasons for project delays as well as cost overages. Using these data, the division should modify its project management processes to ensure the efficient and effective delivery of projects.	Will Not Implement	Department of General Services
6. The division should develop and implement a process for preparing reasonable time frames and cost estimates for its projects within the building management branch. To better inform the development of this process, the division should evaluate the branch's structure, which should include a staffing analysis, to determine whether it is effectively organized and whether it should add cost estimator positions.	Partially Implemented	Department of General Services
7. To ensure that client agencies are paying equitable rates, by December 2016 General Services should develop and implement a strategy for allocating its administrative costs equally among all the projects it completes for client agencies, including those portions outsourced to private firms.	Partially Implemented	Department of General Services
8. To ensure that the project management branch charges its client agencies a competitive hourly rate, by December 2016 and every two years thereafter, the division should conduct a rate analysis that fully accounts for differences between the project management branch's rate and private firms' rates. If it finds that the rates are not competitive, the division should identify and implement strategies to ensure that the project management branch's rates are as competitive as they can be with those of its private firm counterparts. Further, the division should explore and implement any other reasonable methods to ensure that it is delivering projects as cost effectively as possible.	Partially Implemented	Department of General Services
9. To improve its communication with client agencies, the division should ensure that project managers are using consistent procedures by providing specific expectations related to communicating and documenting time delays, cost changes, and change orders, at a minimum.	Pending	Department of General Services
10. To improve its communication with client agencies, the division should develop a process for providing periodic detailed bills and invoices to client agencies clearly describing the work for which it is charging.	Pending	Department of General Services
11. To effectively evaluate the performance of its branches in delivering projects, the division should develop meaningful goals and objectives and a method of measuring its success in achieving them as part of its strategic plan that is focused on ensuring that projects are delivered on time and within budgeted cost estimates.	Pending	Department of General Services
12. To ensure that its project management staff are adequately trained and have the information necessary to deliver projects as efficiently and effectively as possible, the division should conduct a comprehensive survey every other year of all of its client agencies to inform necessary improvements to its processes and training program and, in the interest of transparency, make the survey results public.	Pending	Department of General Services
13. To ensure that its project management staff are adequately trained and have the information necessary to deliver projects as efficiently and effectively as possible, the division should develop and implement by December 2016 a periodic training program for staff within its project management and building management branches. This training program should include updated information that reflects any processes it revises based on its review of critical project status data and its progress toward meeting its goals.	Pending	Department of General Services

**Report Number 2015-134**

*Residential Building Records: The Cities of San Rafael, Novato, and Pasadena Need to Strengthen the Implementation of Their Resale Record Programs (March 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it is aware of the degree of property owners' compliance with its resale record ordinance, the city of San Rafael (San Rafael) should implement procedures that can help it monitor the sale or exchange of properties that require resale record inspections. The city should work with applicable stakeholders, such as realtors, to aid in this effort.	Pending	City of San Rafael

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that it is aware of the degree of property owners' compliance with its resale record ordinance, the city of Novato (Novato) should implement procedures that can help it monitor the sale or exchange of properties that require resale record inspections. The city should work with applicable stakeholders, such as realtors, to aid in this effort.	Will Not Implement	City of Novato
3. To ensure that it is aware of the degree of property owners' compliance with its resale record ordinance, the city of Pasadena (Pasadena) should implement procedures that can help it monitor the sale or exchange of properties that require resale record inspections. The city should work with applicable stakeholders, such as realtors, to aid in this effort.	Will Not Implement	City of Pasadena
4. To verify that new property owners are aware of the health and safety concerns at their properties and any corrections they need to make, San Rafael should develop a process to ensure that it receives homeowners' cards.	Pending	City of San Rafael
5. To verify that new property owners are aware of the health and safety concerns at their properties and any corrections they need to make, Novato should develop a process to ensure that it receives homeowners' cards.	Will Not Implement	City of Novato
6. To verify that new property owners are aware of the health and safety concerns at their properties and any corrections they need to make, Pasadena should develop a process to ensure that staff sign the inspection certificates and add them to the city's database.	Pending	City of Pasadena
7. To ensure that it can monitor the satisfaction individuals have with the resale record program and that it has a uniform approach for resolving complaints, San Rafael should develop a formal process for tracking the complaints it receives. In addition, San Rafael should develop a formal policy that describes how staff should evaluate complaints, and it should document its activities associated with resolving complaints, such as the resolution and the rationale for the resolution. The city should also establish a designated location in its database to record this information.	Partially Implemented	City of San Rafael
8. To ensure that it can monitor the satisfaction individuals have with the resale record program and that it has a uniform approach for resolving complaints, Novato should develop a process for tracking the complaints it receives. In addition, Novato should develop a formal policy that describes how staff should evaluate complaints, and it should document its activities associated with resolving complaints, such as the resolution and the rationale for the resolution. The city should also establish a designated location in its database to record this information.	Fully Implemented	City of Novato
9. To ensure that it can monitor the satisfaction individuals have with the resale record program and that it has a uniform approach for resolving complaints, Pasadena should develop a formal process for tracking the complaints it receives. In addition, Pasadena should develop a formal policy that describes how staff should evaluate complaints, and it should document its activities associated with resolving complaints, such as the resolution and the rationale for the resolution. The city should also establish a designated location in its database to record this information.	Pending	City of Pasadena
10. San Rafael should develop formal written procedures for staff to follow up on property owners' correction of violations. These procedures should identify the method in which staff document in the database the violations identified during inspections and their actions to bring the property into compliance. In addition, the procedures should identify where within the database these documents should be kept as well as identify the protocol for ensuring that repeat violations are corrected in a timely manner.	Partially Implemented	City of San Rafael
11. Novato should develop formal written procedures for staff to follow up on property owners' correction of violations. These procedures should identify the method in which staff document in the database the violations identified during inspections and their actions to bring the property into compliance. In addition, the procedures should identify where within the database these documents should be kept as well as identify the protocol for ensuring that repeat violations are corrected in a timely manner.	Fully Implemented	City of Novato
12. Pasadena should develop formal written procedures for staff to follow up on property owners' correction of violations. These procedures should identify the method in which staff document in the database the violations identified during inspections and their actions to bring the property into compliance. In addition, the procedures should identify where within the database these documents should be kept as well as identify the protocol for ensuring that repeat violations are corrected in a timely manner.	Pending	City of Pasadena
13. To ensure that staff can identify any repeated violations, San Rafael's staff should review prior resale inspection reports before conducting subsequent resale record inspections.	Fully Implemented	City of San Rafael

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14. To ensure that property owners correct violations in a timely manner, San Rafael should develop a work plan by July 2016 to identify and address its enforcement backlog by April 2017, so that the city is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations. San Rafael's work plan should also include updating the completion status of the violations so unresolved violations can be identified and monitored for subsequent correction.	Partially Implemented	City of San Rafael
15. To ensure that property owners correct violations in a timely manner, Novato should develop a work plan by July 2016 to identify and address its enforcement backlog by April 2017, so that the city is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations.	Partially Implemented	City of Novato
16. To ensure that property owners correct violations in a timely manner, Pasadena should develop a work plan by July 2016 to identify and address its enforcement backlog by April 2017, so that the city is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations. Pasadena's work plan should also include updating the completion status of the violations so unresolved violations can be identified and monitored for subsequent correction.	Pending	City of Pasadena
17. To ensure that property owners correct violations in a timely manner, San Rafael should follow through with its enforcement policies, such as issuing notice letters.	Partially Implemented	City of San Rafael
18. To ensure that property owners correct violations in a timely manner, Novato should follow through with its enforcement policies, such as issuing notice letters.	Partially Implemented	City of Novato
19. To ensure that property owners correct violations in a timely manner, Pasadena should follow through with its enforcement policies, such as issuing notice letters.	Pending	City of Pasadena
20. To ensure that property owners correct violations in a timely manner, San Rafael should establish a written process for staff to monitor and ensure that property owners correct violations, including accurately identifying the properties that have not obtained necessary permits or have not had required reinspections performed.	Partially Implemented	City of San Rafael
21. To ensure that property owners correct violations in a timely manner, Novato should establish a written process for staff to monitor and ensure that property owners correct violations, including accurately identifying the properties that have not obtained necessary permits or have not had required reinspections performed.	Partially Implemented	City of Novato
22. To ensure that property owners correct violations in a timely manner, Pasadena should establish a written process for staff to monitor and ensure that property owners correct violations, including accurately identifying the properties that have not obtained necessary permits or have not had required reinspections performed.	Pending	City of Pasadena
23. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, San Rafael should establish a process to monitor its ability to meet its established time goals from application date to report issuance, such as developing a reminder report or using an automated feature of its database.	Pending	City of San Rafael
24. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Novato should establish a process to monitor its ability to meet its established time goals from application date to report issuance, such as developing a reminder report or using an automated feature of its database.	Fully Implemented	City of Novato
25. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Pasadena should establish a process to monitor its ability to meet its established time goals from application date to report issuance, such as developing a reminder report or using an automated feature of its database. Pasadena should also document the date the report is issued on the resale record report and in its database.	Pending	City of Pasadena
26. To ensure that it conducts its resale record inspections and completes the reports in a timely manner, San Rafael should review its time goals by July 2016 for the resale record program and modify them if necessary, factoring in property owners' expectations and staff resources to complete the resale record reports. If applicable, San Rafael should update its policies and procedures to reflect the revised time goals.	Pending	City of San Rafael

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
27. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Pasadena should review its time goals by July 2016 for the resale record program and modify them if necessary, factoring in property owners' expectations and staff resources to complete the resale record reports. If applicable, Pasadena should update its policies and procedures to reflect the revised time goals.	Pending	City of Pasadena
28. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Novato should review its time goals by July 2016 and establish an expectation that is significantly shorter than 10 business days for the period from inspection to report issuance and that is commensurate with the effort required to issue the report. Further, it should establish a time goal for the period of application to inspection. If applicable, Novato should update its policies and procedures to reflect the revised time goals.	Fully Implemented	City of Novato
29. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Novato should establish a method to identify those inspections that have inspection dates requested by property owners.	Fully Implemented	City of Novato
30. To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Pasadena should establish a method to identify those inspections that have inspection dates requested by property owners.	Pending	City of Pasadena
31. To ensure that the resale record fees it charges is appropriate, San Rafael should conduct a formal fee study by December 2016 that incorporates the actual costs associated with the issuance of a resale record report by dwelling type.	Pending	City of San Rafael
32. To ensure that the resale record fees it charges is appropriate, Pasadena should finalize its formal fee study by April 2016.	Partially Implemented	City of Pasadena
33. To ensure that the resale record fees it charges is appropriate, San Rafael should establish a time frame to periodically determine whether the fees are commensurate with the cost of administering the resale record program. The city should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Pending	City of San Rafael
34. To ensure that the resale record fees it charges is appropriate, Novato should establish a time frame to periodically determine whether the fees are commensurate with the cost of administering the resale record program. The city should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Pending	City of Novato
35. To ensure that the resale record fees it charges is appropriate, Pasadena should establish a time frame to periodically determine whether the fees are commensurate with the cost of administering the resale record program. The city should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Pending	City of Pasadena
36. To ensure that it can demonstrate that its resale record inspectors are qualified, San Rafael should develop a process to maintain continuing education attendance records. The city should ensure that staff receive periodic continuing education through internal and external sources to keep them current on code requirements, especially when the requirements are updated.	Pending	City of San Rafael
37. To ensure that it can demonstrate that its resale record inspectors are qualified, Novato should develop a process to maintain continuing education attendance records. The city should ensure that staff receive periodic continuing education through internal and external sources to keep them current on code requirements, especially when the requirements are updated.	Fully Implemented	City of Novato
38. To ensure that it can demonstrate that its resale record inspectors are qualified, Pasadena should develop a process to maintain continuing education attendance records. The city should ensure that staff receive periodic continuing education through internal and external sources to keep them current on code requirements, especially when the requirements are updated.	Pending	City of Pasadena
39. To ensure that it can demonstrate that its resale record inspectors are qualified, San Rafael should ensure that staff who are required to have certifications continue to maintain them in good standing to perform their necessary job functions.	Pending	City of San Rafael
40. If Pasadena subsequently requires its resale record inspectors to have International Code Council certifications, it should ensure that those staff maintain them in good standing to perform their necessary job functions.	Will Not Implement	City of Pasadena

**Report Number 2015-127**

*Corporate Income Tax Expenditures: The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness (April 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a joint legislative rule requiring specific goals, purposes, and objectives as well as detailed performance indicators for all tax expenditure types, including elections and exemptions.	No Action Taken	Legislature
2. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a joint legislative rule to require sunset dates for all future tax expenditures.	No Action Taken	Legislature
3. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a law requiring a state entity to conduct a comprehensive evaluation of all tax expenditures and develop conclusions and recommendations to continue, modify, or repeal each of them. The state entity should have the necessary resources and a reasonable time frame for analysis.	No Action Taken	Legislature
4. To increase oversight of existing and future tax expenditures through the use of best practices, the Legislature should consider enacting a joint legislative rule requiring a legislative body to consider the state entity's conclusions to aid it in developing recommendations to continue, modify, or repeal every tax expenditure.	No Action Taken	Legislature
5. To ensure that the research and development (R&D) credit is effectively fulfilling its purpose, the Legislature should consider commissioning a study on the cost-effectiveness of the R&D credit for stimulating additional R&D activity or new jobs within the State, including an impact analysis on how the credit affects the state economy. The study should also define performance metrics for use in subsequent reports.	No Action Taken	Legislature
6. To ensure that the minimum franchise tax exemption is effectively fulfilling its purpose, the Legislature should consider commissioning an evaluation of it to determine if it is effectively encouraging business formation within the State.	No Action Taken	Legislature
7. To improve the effectiveness of the water's edge election, the Legislature should consider modifying it to include tax havens within the water's edge and thus subject to state tax apportionment.	No Action Taken	Legislature
8. To improve the effectiveness of the water's edge election, the Legislature should consider making it mandatory and require all multinational corporations to exclude foreign income, except tax havens, from state tax apportionment.	No Action Taken	Legislature
9. To improve the effectiveness of the low-income housing credit, the Legislature should consider allowing low-income housing developers to sell project credits to investors in a manner that reduces the federal tax implications for investors who claim the credit.	No Action Taken	Legislature
10. If not otherwise addressed by the Legislative Analyst's Office planned report on the film and television credit, the Legislature should commission a study to determine how to limit instances in which the credit benefits projects that would have filmed in the state without it.	No Action Taken	Legislature

**Report Number 2015-132**

*County Pay Practices: Although the Counties We Visited Have Rules in Place to Ensure Fairness, Data Show That a Gender Wage Gap Still Exists (May 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that counties consistently monitor pay disparities between male employees and female employees, and to ensure that counties perform these reviews and publicly report their findings, the Legislature should amend state law to require counties to periodically compare, by specific classification, the differences in total average compensation between male and female employees.	No Action Taken	Legislature

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that counties consistently monitor pay disparities between male employees and female employees, and to ensure that counties perform these reviews and publicly report their findings, the Legislature should amend state law to require counties to publicly report to local decision makers those classifications for which the differences in total compensation is significant, further indicating which county pay policy or policies contributed to the variance and whether any modifications are needed to reduce the disparity.	No Action Taken	Legislature
3. To ensure that counties consistently monitor pay disparities between male employees and female employees, and to ensure that counties perform these reviews and publicly report their findings, the Legislature should amend state law to require that the California Department of Human Resources ensure that counties perform these periodic gender-based pay equity reviews during its audits of each county's compliance with state-mandated civil service rules.	No Action Taken	Legislature
4. If the Legislature desires that counties be able to demonstrate that their hiring decisions for civil service positions are based on objective and job-related criteria, it should amend the state law to require that each county document the reasons why it chose the selected candidate over others from the certified eligibility list.	No Action Taken	Legislature
5. To ensure that the general public and legislative decision makers have readily available data on male and female employees' compensation, by specific classification and public employer, the Legislature should direct the State Controller's Office to obtain information on the sex of each public employee reported on the Government Compensation in California website.	No Action Taken	Legislature
6. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Pending	County of Fresno
7. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Will Not Implement	Los Angeles County
8. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Pending	Orange County
9. To ensure that they consistently demonstrate that candidates are hired for permanent civil service positions based on valid and job-related criteria, regardless of their sex, each county should develop policies requiring hiring managers to document the reasons why they chose the selected candidate over others from the certified eligibility list.	Fully Implemented	Santa Clara County
10. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Pending	County of Fresno
11. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Fully Implemented	Los Angeles County
12. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Fully Implemented	Orange County
13. To ensure that they can readily monitor gender-based pay equity complaints and reliably evaluate how often such complaints are filed by its employees, each county should develop tracking mechanisms that allow management to reliably determine how often these complaints occur and whether there are patterns of complaints that pertain to specific county departments or classifications.	Fully Implemented	Santa Clara County

**Report Number 2015-121**

*California Department of Veterans Affairs: The State Paid Nearly \$28 Million for a Flawed System That Fails to Meet the Needs of Its Veterans Homes (June 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its project management of IT projects promptly identifies potential problems and develops resolutions, by September 2016 CalVet should define the project executive's and project manager's responsibilities to ensure that the individuals who fill those positions take an active role in each project.	Fully Implemented	Department of Veterans Affairs
2. To ensure that it adequately identifies and monitors problems in its future IT projects, by September 2016 CalVet should establish a formal process for its project executive to verify that the project team prepares all of the required project management and other required plans. This formal process should also include a process to periodically verify that the project team is adhering to all these plans.	Fully Implemented	Department of Veterans Affairs
3. To ensure accountability and independence between the provision of IPO and IV&V services on future IT projects, by September 2016 CalVet should establish a policy requiring it to use separate contractors for IPO and IV&V services when IPO services are not provided directly by the Technology Department.	Fully Implemented	Department of Veterans Affairs
4. To ensure that it complies with state contracting laws and can demonstrate the basis for its decisions when awarding contracts, by September 2016 CalVet should establish a process to periodically verify that its staff follow state contracting requirements and maintain all required contract documentation.	Pending	Department of Veterans Affairs
5. To ensure it maintains all documentation related to its IT contracts, CalVet should, by September 2016, establish a process to verify that all divisions comply with its policy requiring each division to submit a records retention schedule to its Office of Procurement and Contracting.	Fully Implemented	Department of Veterans Affairs
6. To ensure that it only accepts deliverables and pays for deliverables that are complete and that meet the contract requirements, by September 2016 CalVet should establish processes to ensure that the project executive verifies that individuals assigned to project roles are adequately qualified and experienced.	Fully Implemented	Department of Veterans Affairs
7. To ensure that it only accepts deliverables and pays for deliverables that are complete and that meet the contract requirements, by September 2016 CalVet should establish processes to verify and maintain documentation of receipt of all contract deliverables before approving payment.	Fully Implemented	Department of Veterans Affairs
8. To ensure that it only accepts deliverables and pays for deliverables that are complete and that meet the contract requirements, by September 2016 CalVet should establish processes to strengthen its contract management on all future projects by requiring the project manager to sign off on invoices along with the contract manager before approving payment.	Pending	Department of Veterans Affairs
9. To ensure that it maximizes its opportunity to successfully implement future IT projects, including its plan to replace its current system, CalVet should, by September 2016, establish a formal process to document the changes it makes as a result of the lessons-learned sessions it conducts.	Fully Implemented	Department of Veterans Affairs
10. To ensure that it maximizes its opportunity to successfully implement future IT projects, including its plan to replace its current system, CalVet should, by September 2016, establish a formal process to verify that its staff conducts lessons-learned sessions for all key phases of the next project.	Fully Implemented	Department of Veterans Affairs
11. To ensure that it maximizes its opportunity to successfully implement future IT projects, including its plan to replace its current system, CalVet should, by September 2016, establish a formal process to incorporate the recommendations identified in its Post Implementation Evaluation Report.	Fully Implemented	Department of Veterans Affairs
12. To ensure that it can demonstrate that it is acting in the best interest of the State, the Technology Department should, by December 2016, create a formal process to summarize its involvement and document key actions taken and decisions reached during agencies' contract disputes and negotiations for the termination of a contract and maintain those documents according to its records retention schedule.	Pending	California Department of Technology

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13. To ensure accountability and independence between the provision of IPO and IV&V services, the Technology Department should, by December 2016, establish a written policy requiring departments that request and receive approval to contract for IPO services to use a different contractor than the one providing IV&V services.	Pending	California Department of Technology
14. Although the Technology Department indicated that its intent is not to outsource its statutory responsibility for IPO, in any instances where its staff conduct a portfolio review of a project's IPO, the Technology Department should, by December 2016, establish a process for its review of documents created by the agency's IPO contractor that includes verifying whether these reports include critical analysis of project progress and vendor performance so it can intervene when necessary.	Pending	California Department of Technology

**Report Number 2015-116***City of Irvine: Poor Governance of the \$1.7 Million Review of the Orange County Great Park Needlessly Compromised the Review's Credibility (August 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that local government audits are conducted with independence and rigor, beginning immediately Irvine should incorporate into its RFPs and contracts the requirement that consultants follow appropriate, sufficient audit standards when performing audit services.	Fully Implemented	City of Irvine
2. To improve fiscal accountability and to ensure that audits are performed to appropriate standards, the city of Irvine (Irvine) should adopt an internal audit function by December 2017.	Will Not Implement	City of Irvine
3. To make certain that it conducts its competitive bidding process in a more transparent and fair manner, Irvine should do the following by December 2016: Require city staff to include in every RFP the specified methodology for selecting contractors and not to deviate from it without adequate notice to potential bidders. Further, Irvine should include this requirement in its contracting manual.	Pending	City of Irvine
4. To make certain that it conducts its competitive bidding process in a more transparent and fair manner, Irvine should examine and update its preferred selection criteria listed in its contracting manual and abide by these criteria when creating RFPs and evaluating bidders by December 2016.	Fully Implemented	City of Irvine
5. To make certain that it conducts its competitive bidding process in a more transparent and fair manner, Irvine should do the following by December 2016: Further clarify the manner in which an interview may factor into the decision regarding awarding a contract. Specifically, Irvine should include in its procedures whether an interview may change scores from an earlier phase of the proposal review process. Additionally, Irvine should include in the published RFP the details of how it will use interviews in its review process.	Pending	City of Irvine
6. To make certain that Irvine complies with the intent of competitive bidding for professional services, beginning immediately it should not include provisions in its RFPs for potential future services that are above and beyond the desired scope of work.	Will Not Implement	City of Irvine
7. To prevent contractors from exceeding their scope of work, Irvine should periodically review ongoing contract invoices and compare billed activities to the contractor's scope of work to be certain that these invoices reflect the work Irvine expects the contractor to perform. Irvine should also ensure that it assigns a staff project manager to projects who can sufficiently and appropriately monitor the contractor's work. In the future, if the council decides to limit or modify the existing authority of city officials relating to contract oversight, it should ensure that its resolutions explicitly delineate the limits or modifications to that authority.	Fully Implemented	City of Irvine
8. To ensure that it receives the services for which it has contracted and to avoid conflicts with its contractors, Irvine should monitor and enforce its contract provisions requiring that work not be performed in advance of the city issuing a signed contract and approved purchase order.	Fully Implemented	City of Irvine
9. To maintain appropriate, transparent fiscal accountability, Irvine should amend city contracting and purchasing policies by December 2016 to make certain that all of its contracts and contract amendments with a proposed cost exceeding the threshold requiring city council or other approval receive the appropriate approvals, including approval for sole-source contracts. Further, city policies should require appropriate approvals when increases in spending authority are accomplished through a purchase order or other means.	Will Not Implement	City of Irvine

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To provide the public with adequate information regarding the city council's spending decisions, Irvine's city council should, by December 2016, include in its policies a requirement that motions by the council to appropriate revenue to fund a specific contract should name the recipients and proposed use of the funds.	Will Not Implement	City of Irvine
11. To foster public confidence in its processes and findings, Irvine should conduct self-initiated investigations, reviews, or audits in an open and transparent manner that ensures independence. Specifically, Irvine should not establish advisory bodies exempt from open meeting laws to oversee these investigations, reviews, or audits. Instead, any required reports from contractors conducting such investigations, reviews, or audits should go to the city council or a standing committee of the city council to be discussed in either open or closed session, as appropriate.	Will Not Implement	City of Irvine
12. To ensure that Irvine follows best practices related to depositions as outlined in state law, the city council should adopt a policy requiring that Irvine post deposition transcripts for the public after the deponents have had adequate opportunity to correct and sign their depositions.	Pending	City of Irvine

**Report Number 2016-106**

*Los Angeles County: Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. By April 2017, Los Angeles County (county) should reach agreement with the association on the date by which the association must pay the county for the rent in arrears related to the hotel.	Pending	Los Angeles County
2. By April 2017, the county should reach agreement with the association on how much rent the association owes the county from the hotel's operations since 1992.	Pending	Los Angeles County
3. As soon as possible, the county should collect from the association all amounts presently owed under the lease as a result of the revenue generated by the conference center.	Pending	Los Angeles County
4. To ensure that it recognizes and addresses in a timely manner areas of potential concern related to the association's rent, the county should create and adhere to a policy of reviewing the association's rent calculations at least every three years.	Pending	Los Angeles County
5. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes a revised rent calculation formula that factors in revenue from all of the association's activities, including its hotel and conference center, as well as revenue from its subsidiaries' activities at the Fairplex. This revised rent calculation formula should require the association either to pay the county an agreed-upon fixed amount, adjusted periodically for inflation, or to pay the county both a fixed amount every year and a percentage of the total gross revenue that the association earns at the Fairplex.	Pending	Los Angeles County
6. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes terms that define the circumstances or dates that require a renegotiation of the lease and the rent calculation formula.	Pending	Los Angeles County
7. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes an agreement on the types of entities whose gross revenues the association must include in rent calculations. This agreement should cover any new businesses the association creates that operate at the Fairplex.	Pending	Los Angeles County
8. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes terms that require the association to provide the county with any subleases it wishes to enter, even those subleases that do not exceed 10 years. The terms should also require the association to provide the county with approval over other agreements that could affect the rent calculation, including the association's hotel management agreement and its amendments.	Pending	Los Angeles County
9. To protect its interests and maximize its future revenue, the county should strongly consider ensuring that any potential amendment to the lease includes terms that require the association to provide the county with advance notice of any refinancing of the association's debt and what impact, if any, such transactions would have on the amount or timing of rent payments to the county.	Pending	Los Angeles County

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**Report Number 2016-110**

*Trade Apprenticeship Programs: The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better oversee state apprenticeship programs, the Industrial Relations Division of Apprenticeship Standards (apprenticeship division) should resume conducting program audits by December 2016. As part of such audits, the apprenticeship division should ensure that apprenticeship programs receiving grants are appropriately spending the money to train apprentices.	Pending	Department of Industrial Relations
2. The Legislature should amend state law to provide the apprenticeship division with explicit authority to verify that as a condition of receiving future grant funds, apprenticeship programs are using state funds solely for training apprentices. In addition, if an apprenticeship program is unable to demonstrate how state funds are used or if it is found to be using funds for inappropriate purposes, the apprenticeship division should have the authority to deregister that particular program.	Pending	Legislature
3. Until it implements new case management software in April 2017, the apprenticeship division should ensure that consultants perform and track their oversight activities. Furthermore, once the software is implemented, the apprenticeship division should ensure that consultants consistently use the software to document their oversight activities. Finally, the apprenticeship division should improve the usefulness of the site visit reports to provide the findings and an evaluation of each apprenticeship program, and it should periodically verify that consultants are performing their required oversight activities, including attending apprenticeship committee meetings and performing site visits.	Pending	Department of Industrial Relations
8. To ensure that local educational agencies (LEAs) develop sound contract agreements with apprenticeship programs, the Community Colleges Chancellor's Office and the apprenticeship division should develop a model agreement to outline the types of information, roles, and responsibilities for both parties as the Education Code requires and make this model agreement available to K-12 LEAs by April 2017. In addition, this model agreement should specify that K-12 LEAs will verify that the apprentices have attended the instructional courses by collecting supporting documentation such as sign-in sheets or rosters.	Pending	Department of Industrial Relations
9. To ensure the proper oversight of funding for related and supplemental instruction and to clarify the roles of the entities involved in the State's apprenticeship system, the apprenticeship division should work with the Apprenticeship Council to formally approve the common administrative practices document by April 2017 and distribute it to all relevant parties within that system. In addition, to ensure the proper reimbursement of apprenticeship programs, the common administrative practices document should specify that K-12 LEAs take steps to verify that the apprentices actually attended the courses and that the apprenticeship attendance hours reported are for allowable activities only.	Pending	Department of Industrial Relations
11. To ensure that the apprenticeship division is overseeing apprenticeship programs adequately, it should consider periodically checking with U.S. Labor to determine what investigations it has recently conducted on apprenticeship programs. The apprenticeship division could use this information as a basis for conducting its own audit to ensure apprenticeship programs are using state funds appropriately.	Pending	Department of Industrial Relations

**Report Number 2016-111**

*City of Irwindale: It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents (November 2016)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To address the structural deficit in its general fund, the city of Irwindale (Irwindale) should seek long-term solutions to balance its budget so that its expenditures do not exceed its revenues. These solutions should include eliminating the reliance on one-time gains to fund ongoing expenses and identifying opportunities to further reduce spending. Irwindale should document its approach in a long-term financial plan that should account for the following: <ul style="list-style-type: none"> <li>• A forecast of at least five to 10 years into the future, updates to long-term planning activities as needed to provide direction to the budget process, and an analysis of its financial status.</li> <li>• Revenue and expenditure forecasts.</li> <li>• A plan-monitoring mechanisms, such as a scorecard of key indicators of financial health.</li> </ul>	Pending	City of Irwindale

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure that employee compensation aligns with job statements, Irwindale should review its salary incentives and modify the eligibility criteria so that they match the job requirements.	Pending	City of Irwindale
3. Considering that Irwindale's retirement benefits are more generous than those of most comparable cities, and in light of its financial situation, Irwindale should reduce its employee benefits costs by negotiating with employee bargaining groups and key management employees for the elimination of further city contributions to the Public Agency Retirement Services supplemental benefit plan or at least an increase in participant contributions to cover the full employee share of the plan's costs, recognizing that under California case law Irwindale may not destroy vested pension rights legislatively.	Pending	City of Irwindale
4. To minimize the use of its reserves to reduce long-term liabilities, Irwindale should annually determine whether it has sufficient funding to cash out employee leave balances. Additionally, in future labor negotiations, Irwindale should explore the possibility of eliminating or reducing voluntary leave balance cash-outs by employees, and eliminate sick leave cash-outs altogether.	Pending	City of Irwindale
5. As a prudent financial practice, Irwindale should collect receipts for all reimbursable council expenses and update its expense reimbursement policy to eliminate exceptions to this rule.	Pending	City of Irwindale
6. To reduce costs, Irwindale should consider eliminating its current resident prescription drug benefit program and replacing it with the prescription discount card program offered by the League of California Cities that would provide discounts on prescriptions to residents at no cost to Irwindale.	Pending	City of Irwindale
7. If Irwindale chooses not to participate in the prescription discount card program offered by the League of California Cities, it should at least align its prescription drug benefit program with its established purpose—to treat conditions proven to be caused or worsened by Irwindale's mining activities—and limit the availability of benefits to only those medications approved for the treatment of such conditions.	Pending	City of Irwindale
8. If Irwindale chooses not to participate in the prescription discount card program offered by the League of California Cities, it should at least reduce the cost of its prescription drug benefit program by enacting limits—similar to those in its resident vision benefits—on the number or dollar amount of prescriptions an individual can receive each year.	Pending	City of Irwindale
9. To reduce the costs of its resident prescription drug benefit program, Irwindale City Council should follow the recommendations of its consultant by approving the following: align copayments by increasing those paid by residents 50 years of age and older to the same level as those paid by residents who are 49 years or younger.	Pending	City of Irwindale
10. To reduce the costs of its resident prescription drug benefit program, Irwindale City Council should follow the recommendations of its consultant by approving the following: implement coordination of benefits provisions, where applicable, to designate Irwindale as a secondary payer to residents' primary insurance coverage.	Pending	City of Irwindale
11. To eliminate the need for police officer overtime, Irwindale should evaluate the possibility of contracting for police services with the Los Angeles County Sheriff's Department or another law enforcement agency as an alternative to operating its own police department.	Pending	City of Irwindale
12. While Irwindale is considering recommendation #11, and if it should choose not to contract for police services, it should ensure that its police department is adequately staffed by performing a staffing analysis that includes a determination of the costs and benefits of officer overtime versus hiring additional officers.	Pending	City of Irwindale
13. While Irwindale is considering recommendation #11, and if it should choose not to contract for police services, it should promote public safety and equity among police officers by implementing a rotational order for scheduled overtime to prevent some officers from working excessive shifts.	Pending	City of Irwindale
14. To help ensure that it receives the best value for contracts it exempts from competitive bidding, Irwindale should revise its purchasing policy to require its staff to perform a price analysis and prepare a cost justification form and place the document in each contract file as evidence that the contract price is fair and reasonable.	Pending	City of Irwindale
15. To help ensure that it receives good-quality services, Irwindale should monitor all spending for contracted services. Irwindale should also require its staff to perform post-contract evaluations of professional services contracts, particularly for those continuing services contracts it exempts from competitive bidding.	Pending	City of Irwindale

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. The Irwindale Housing Authority (Housing Authority) should consider options to provide low-income housing opportunities to more people. Additionally, if the Housing Authority intends to continue providing low-income housing opportunities in the future, Irwindale should examine the available funding mechanisms to continue providing low-income housing before it exhausts its Housing Authority Fund balance.	Pending	City of Irwindale
17. To ensure that all residents have an equal chance to participate in the Housing Authority's housing programs, Irwindale should remove the long-term residency priorities from any future housing programs.	Pending	City of Irwindale
18. To help identify and prevent potential fraud, Irwindale should develop and implement a fraud policy, following the guidelines provided by the Association of Certified Fraud Examiners.	Pending	City of Irwindale
19. To ensure that it continues to properly manage its debt, Irwindale should prioritize developing and implementing a debt management policy.	Pending	City of Irwindale

\* 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](http://www.auditor.ca.gov)