



MEMORANDUM

Date: May 22, 2024 File No. 4177

To: **Julie Henderson**, Director
California Department of Pesticide Regulation
P.O. Box 4015
Sacramento, CA 95812-4015

From: **Department of General Services**
Office of Audit Services

Subject: **AUDIT REPORT: CONTRACTING PROGRAM**

This report presents the results of our audit of the California Department of Pesticide Regulation's (CDPR) contracting program. On July 3, 2020, the Director of the Department of General Services (DGS) signed Exemption Letter No. 74.7 which granted CDPR's request to process contracts without DGS review and approval. In brief, subject to a number of limitations, the exemption allows various types of contracts under \$150,000 to be processed without DGS review and approval during the four-year period of July 1, 2020 through June 30, 2024. As a condition of the exemption, two audits are required to be performed of CDPR's contracting program during the four-year exemption period. Based on CDPR's request, DGS' Office of Audit Services agreed to conduct the second audit required under the terms of the exemption.

The objective of our audit was to determine compliance with the terms and conditions of Exemption Letter No. 74.7. In general, the exemption requires that CDPR maintain an adequate and effective system of internal control over contracting and that the system be sufficient to ensure compliance with the state's contracting laws, policies, and procedures.

Based on the results of our fieldwork conducted over the period January 9, 2024 through May 2, 2024, we concluded that CDPR is conducting its contracting program in compliance with the terms and conditions of its exemption. CDPR's contracting policies and procedures are sufficient to provide reasonable assurance of compliance with the state's contracting laws, policies, and procedures.

To determine compliance, we reviewed policies and procedures, tested a sample of contracts awarded during the 2022-23 and 2023-24 fiscal years, interviewed parties involved and performed other tests as deemed necessary.

We sincerely appreciated the cooperation and assistance provided by CDPR's personnel.

If you need further information on or assistance with this report, please contact me at (916) 376-5064/Dennis.Miras@dgs.ca.gov, or Eric Kim at (279) 946-8635/Eric.Kim@dgs.ca.gov.

Dennis M Miras

DENNIS M. MIRAS, CIA
Manager, Office of Audit Services

Staff: Eric Kim, Management Auditor

cc: Martin Barela, Manager, Fiscal & Business Services Unit, CDPR
Samantha Wyatt, Manager, Business Services Office, CDPR
Christine Ciccotti, Chief Counsel and Deputy Director, Office of Legal Services, DGS