State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help save water!

To: WILLIAM E. LEWIS
Assistant Director
Audits and Investigation

Date: December 31, 2015

From: CLARK PAULSEN Clark Paulsen
Chief
Division of Accounting

Subject: **Division of Accounting 180-Day Response – CAL-Card Audit (P3000-0425)**

The Division of Accounting (Accounting) received the Audit Report, CAL-Card Audit – P3000-0425, dated June 30, 2015. This is our 180-day response to the audit.

Finding 3 – Inaccurate Vendor Transaction Reports in Advantage/InfoAdvantage

Accounting has requested a change in Advantage to correct the Vendor Transaction History reporting. The consultant, CGI, developed an updated system patch that has been tested. However, the component of the patch to prevent inaccurate vendor transactions was unsuccessful. CGI is actively working with Accounting and Information Technology on a solution. It is expected this will be completed by June 30, 2016.

Should you have any questions regarding this response, please contact Gilbert Petrissans at (916) 227-9279.

c: Norma Ortega, Chief Financial Officer
Zilan Chen, Chief Internal Audits, Audits and Investigations
Douglas Gibson, Manager, Internal Control Audits, Audits and Investigations
Gilbert Petrissans, Chief, Office of Commodity and Contract Payables, Division of Accounting
Monica Cummings, Chief, Commodity and CAL-Card Payments Branch, Division of Accounting
Nicole Felcher, Audit Coordinator - Division of Accounting

Audits and Investigations (A&I)
180-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: Division of Accounting

Audit Report Finding 3

Inaccurate Vendor Trnascation Reports in Advantage/InfoAdvantage

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	180-Day Status	A&I Analysis
Continue working with the Division of Information Technology and the Advantage/InfoAdvantageconsultant to implement the needed changes to ensure accurate vendor transaction reporting.	Accounting has requested a change in Advantage to correct the Vendor Transaction History reporting. Programming changes were completed and the dat tested. The test data results identified error with the programming change. The consultant, CGI, is activiely working with Accounting and Information Technology on the analysis of various test cases and issues.	June 30, 2016	Cindy Buhagiar	Accounting has requested a change in Advantage to correct the Vendor Transaction History reporting. The consultant, CGI, developed an updated sytem patch to prevent inaccurate vendor transactions was unsuccessful. CGI is actively working with Accounting and Information Technology on a solution. It is expected this will be completed by December 31, 2015.	Accounting has requested a change in Advantage to correct the Vendor Transaction History reporting. The consultant, CGI, developed an updated sytem patch to prevent inaccurate vendor transactions was unsuccessful. CGI is actively working with Accounting and Information Technology on a solution. It is expected this will be completed by June 30, 2016.	Division of Accounting continues to work with the Division of Information Technology and the Advantage/InfoAdvantage consultant, CGI, to correct the Vendor Transaction History reporting. A&I will continue to follow-up with DofA until the finding is resolved. Therefore, we require DofA to submit a 360-day status report by June 26, 2016.

State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help save water!

To: EMILIO FLORES
Staff Management Auditor
Audits and Investigations

Date: December 10, 2015

File:

From: SHARRI BENDER EHLERT
Deputy District Director
District 6

Subject: **Cal-Card Audit – District 6 – 120 Day Response (P3000-0425)**

The following are in response to the Audit and Investigations recommendations provided in the Cal-Card Audit Draft Report.

Finding 1 – Cal-Card Transaction Weaknesses

- Continue to remind cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to Cal-Card purchases.
- Request DPAC to provide monthly summary of errors committed by D6 cardholders. This list will be used to notify the Cal-Card managers which individuals are out of compliance.
- Request DPAC to develop a comprehensive face-to-face cardholder training for staff for whom on-line training is not sufficient.
- The maintenance has instituted more stringent controls for Cal-Card managers to monitor procurement documents to ensure purchases include appropriate justification as well as to ensure purchases have prior approval.
- Maintenance Division has changed their process to ensure CPO's are created in a timely manner.

Finding 2 – Weaknesses in Tagging and Recording Equipment Purchases

- Remind Cal-Card holders and Cal-card managers to comply with Caltrans guidelines and policies for tagging state owned property as outlined in SAM Sections 8650-8652, and Chapters 6.2, 12.4.6 of the DPAC Acquisition Manual.
- District Property Controller will create and generate a monthly listing of all procurement and confirm that items requiring tagging are issued tags in accordance with SAM.

See attached 120 Day Status Update.

Audits and Investigations (A&I)
180-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	Continue to remind cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Ongoing, monthly with the CAL-card Liaison Meeting notes	CAL-Card Liaison & CAL-card Managers	D6 CAL-card Liaison sends monthly remidners with CAL-card Liaison meeting notes to cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Implemented/Ongoing
	Request DPAC to provide a monthly summary of errors committed by D6 cardholders. This list will be used to notify the CAL-Card managers which individuals are out of compliance.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.	
	Request DPAC to develop a comprehensive face-to-face cardholder training for staff for whom on line-training is not sufficient.	Effective 06/01/15 and ongoing	Maintenance Manager II	D6 discussed training needs with DPAC an implemented an updated training requirement for cardhodlers. CAL-Card managers are working more closely with cardholders to be sure cardholders are aware of and compliant with requirements.	Complete
• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	See box 1 above Also, the MTCE division has instituted more stringent controls for Cal Card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Effective 06/01/15 and ongoing	Cal Card Managers	MTCE division has instituted more stringent controls for CAL-card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Implemented/Ongoing
• Obtaining and documenting prior approvals of purchases.	See box 1 above. Also, the MTCE division has instituted more stringent controls for Cal-Card managers to ensure purchases have prior approval.	Effective 06/01/15 and ongoing	CAL-card Holders, CAL-Card Managers	MTCE division has instituted more stringent controls for CAL-card managers to ensure purchases have prior approval.	Implemented/Ongoing
• Preparing and approving CPOs completely and timely.	See box 1 above. Also, the MTCE division has changed their process to ensure CPOs are created in a timely manner.	Effective 06/01/15 and ongoing	CAL-Card Holders, CAL-Card Managers	MTCE division has changed their process to ensure CPOs are created in a timely manner.	Implemented/Ongoing
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	Continue to invite cardholders and CAL-Card managers to CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Effective 06/01/15 and ongoing	CAL-Card Liaison	CAL-card Liaison invites cardholders and CAL-Card managers to monthly CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Implemented/Ongoing
	See box 1 above, request for monthly error report & DPAC training.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.	Implemented/Ongoing

Audits and Investigations (A&I)
180-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	Remind CAL-card holders and CAL-Card managers to comply with Caltrans guidelines and policies for tagging State owned property as outlined in SAM Sections 8650-8652, and Chapters 6.2 & 12.4.6, of the DPAC Acquisition Manual	08/01/15	District Property Control Officer	Cal Card Liaison sent a Remind CAL-card holders and CAL-Card managers to comply with Caltrans guidelines and policies for tagging State owned property as outlined in SAM Sections 8650-8652, and Chapters 6.2 & 12.4.6, of the DPAC Acquisition Manual	Completed 10/15/15
	District Property Controller will create and generate a monthly listing of all procurement and confirm that items requiring tagging are issue tags in accordance with SAM.	Monthly effective 07/01/15	District Property Control Officer	District Property Control Officer is using AMS system to identify potential procurement items that requrire tagging, and to remind cardholders of the tagging requirements. DataLink team is developing a report that will identify "commodity" which will make this process more efficient.	Implemented/Ongoing

Audits and Investigations (A&I)
180-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	180-Day Status	A&I Analysis
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	Continue to remind cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Ongoing, monthly with the CAL-card Liaison Meeting notes	CAL-Card Liaison & CAL-card Managers	D6 CAL-card Liaison sends monthly remidners with CAL-card Liaison meeting notes to cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Implemented/Ongoing	D6 has sufficiently addressed the finding.
	Request DPAC to provide a monthly summary of errors committed by D6 cardholders. This list will be used to notify the CAL-Card managers which individuals are out of compliance.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.		
	Request DPAC to develop a comprehensive face-to-face cardholder training for staff for whom on line-training is not sufficient.	Effective 06/01/15 and ongoing	Maintenance Manager II	D6 is in discussion with Mari Jo Snider of the CAL-card uint to develop a training class suited for our needs.	Complete	
● Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	See box 1 above Also, the MTCE division has instituted more stringent controls for Cal Card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Effective 06/01/15 and ongoing	Cal Card Managers	MTCE division has instituted more stringent controls for CAL-card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Implemented/Ongoing	D6 has sufficiently addressed the finding.
● Obtaining and documenting prior approvals of purchases.	See box 1 above. Also, the MTCE division has instituted more stringent controls for Cal-Card managers to ensure purchases have prior approval.	Effective 06/01/15 and ongoing	CAL-card Holders, CAL-Card Managers	MTCE division has instituted more stringent controls for CAL-card managers to ensure purchases have prior approval.	Implemented/Ongoing	D6 has sufficiently addressed the finding.
● Preparing and approving CPOs completely and timely.	See box 1 above. Also, the MTCE division has changed their process to ensure CPOs are created in a timely manner.	Effective 06/01/15 and ongoing	CAL-Card Holders, CAL-Card Managers	MTCE division has changed their process to ensure CPOs are created in a timely manner.	Implemented/Ongoing	D6 has sufficiently addressed the finding.
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	Continue to invite cardholders and CAL-Card managers to CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Effective 06/01/15 and ongoing	CAL-Card Liaison	CAL-card Liaison invites cardholders and CAL-Card managers to monthly CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Implemented/Ongoing	D6 has sufficiently addressed the finding.
	See box 1 above, request for monthly error report & DPAC training.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.	Implemented/Ongoing	

Audits and Investigations (A&I)
180-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status		A&I Analysis
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	Remind CAL-card holders and CAL-Card managers to comply with Caltrans guidelines and policies for tagging State owned property as outlined in SAM Sections 8650-8652, and Chapters 6.2 & 12.4.6, of the DPAC Acquisition Manual	08/01/15	District Property Control Officer	Incomplete	Completed 10/15/15	D6 has sufficiently addressed the finding.
	District Property Controller will create and generate a monthly listing of all procurement and confirm that items requiring tagging are issue tags in accordance with SAM.	Monthly effective 07/01/15	District Property Control Officer	District Property Control Officer is using AMS system to identify potential procurement items that requrire tagging, and to remind cardholders of the tagging requirements. DataLink team is developing a report that will identify "commodity" which will make this process more efficient.	Implemented/Ongoing	

State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help save water!

To: WILLIAM E. LEWIS
Assistant Director
Audits and Investigations

Date: December 28, 2016

File: P3000-0425

From: JOHN BULINSKI
District Director
District 8

Subject: **180-DAY STATUS REPORT FOR AUDIT REPORT P3000-0425**

Attached is District 8's 180-day status report in response to the CAL-Card Audit Report P3000-0425. If you have any questions, please contact Kevin Strough, Deputy District Director of Administration, at (909) 383-4576.

Attachment
District 8 180-day Status Report

c: Zilan Chen, Chief, Internal Audits, Audits and Investigations
Douglas Gibson, Manager, Internal Control Audits, Audits and Investigations

Audits and Investigations (A&I)
180-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 8

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	180-Day Status	Revised Estimated Completion Date
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	D8 will provide quarterly training to cardholders and car managers on topics that the CalCard liaison deems pertinent to District 8 issues. The liaison will forward the handouts from the monthly CalCard Liaison Teleconference to cardholders and card managers.	To begin July 2015, monthly and quarterly.	Corina Harriman	D8 Liaison has emailed handouts from the CAL-Card Liaison Teleconference to cardholders and managers for July and August and will continue to do so. Training is being scheduled.	Ongoing	CAL-Card Liaison Teleconference handouts have been emailed to all cardholders and managers each month and will continue to be sent out. Our next CAL-Card Training is scheduled in our District for 02/17/16 and 02/18/16. Training to be conducted by the CAL-Card unit from HQ.	Ongoing
• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents	see above			Incorporated into reminder emails and quarterly training.	Ongoing	Incorporated into reminder emails and quarterly training.	Ongoing
• Obtaining and documenting prior approvals of purchases.	see above			See above	Ongoing	See above	Ongoing
• Preparing and approving CPOs completely and timely.	see above			See above	Ongoing	See above	Ongoing
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	D8 Liaison will work with DPAC and DofA with any issues that staff experiences.	as needed	Corina Harriman	D8 Liaison is working with DPAC and DofA as needed.	Ongoing	D8 Liaison is working with DPAC and DofA as needed.	Ongoing

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	180-Day Status	Revised Estimated Completion Date
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	D8 Property Controller will notify Cal Card holders and managers of changes to the Equipment Tagging Requirements as directed by HQ.	As needed per DPAC Property Control updates.	Yvette Kearns	Ongoing	Ongoing	Ongoing	Ongoing

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 8

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	180-Day Status	A&I Analysis
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	D8 will provide quarterly training to cardholders and car managers on topics that the CalCard liaison deems pertinent to District 8 issues. The liaison will forward the handouts from the monthly CalCard Liaison Teleconference to cardholders and card managers.	To begin July 2015, monthly and quarterly.	Corina Harriman	D8 Liaison has emailed handouts from the CAL-Card Liaison Teleconference to cardholders and managers for July and August and will continue to do so. Training is being scheduled.	November 2015	CAL-Card Liaison Teleconference handouts have been emailed to all cardolders and managers and will continue to be sent out Our next CAL-Card Training is scheduled in our District for 02/17/16 and 02/18/16. Training to be conducted by the CAL-Card unit from HQ.	D8 has sufficiently addressed the finding.
● Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	see above			Incorporated into reminder emails and quarterly training.	Ongoing	Incorporated into reminder emails and quarterly training.	D8 has sufficiently addressed the finding.
● Obtaining and documenting prior approvals of purchases.	see above			See above	Ongoing	See above	D8 has sufficiently addressed the finding.
● Preparing and approving CPOs completely and timely.	see above			See above	Ongoing	See above	D8 has sufficiently addressed the finding.
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	D8 Liaison will work with DPAC and DofA with any issues that staff experiences.	as needed	Corina Harriman	D8 Liaison is working with DPAC and DofA as needed.	Ongoing	D8 Liaison is working with DPAC and DofA as needed.	D8 has sufficiently addressed the finding.

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 8

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	180-Day Status	D8 has sufficiently addressed the finding.
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	D8 Property Controller will notify Cal Card holders and managers of changes to the Equipment Tagging Requirements as directed by HQ.	As needed per DPAC Property Control updates.	Yvette Kearns	Ongoing	Ongoing	Ongoing	D8 has sufficiently addressed the finding.

State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help save water!

To: WILLIAM E. LEWIS
Assistant Director
Audits and Investigation

Date: August 31, 2015

From: CLARK PAULSEN Clark Paulsen
Chief
Division of Accounting

Subject: **Division of Accounting 60-Day Response – CAL-Card Audit (P3000-0425)**

The Division of Accounting (Accounting) received the Audit Report, CAL-Card Audit – P3000-0425, dated June 30, 2015. This is our 60-day response to the audit.

Finding 3 – Inaccurate Vendor Transaction Reports in Advantage/InfoAdvantage

Accounting has requested a change in Advantage to correct the Vendor Transaction History reporting. Programming changes were completed and the data was tested. The test data results identified errors with the programming change. The consultant, CGI, is actively working with Accounting and Information Technology on the analysis of various test cases and issues. It is expected this will be completed by December 31, 2015.

Should you have any questions regarding this response, please contact Gilbert Petrissans at (916) 227-9279.

c: Norma Ortega, Chief Financial Officer
Zilan Chen, Chief Internal Audits, Audits and Investigations
Douglas Gibson, Manager, Internal Control Audits, Audits and Investigations
Gilbert Petrissans, Chief, Office of Commodity and Contract Payables, Division of Accounting
Monica Cummings, Chief, Commodity and CAL-Card Payments Branch, Division of Accounting
Nicole Felcher, Audit Coordinator - Division of Accounting

Audits and Investigations (A&I)
180-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: Division of Accounting

Audit Report Finding 3

Inaccurate Vendor Trnascation Reports in Advantage/InfoAdvantage

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	A&I Analysis
Continue working with the Division of Information Technology and the Advantage/InfoAdvantageconsultant to implement the needed changes to ensure accurate vendor transaction reporting.	Accounting has requested a change in Advantage to correct the Vendor Transaction History reporting. Programming changes were completed and the dat tested. The test data results identified error with the programming change. The consultant, CGI, is activiely working with Accounting and Information Technology on the analysis of various test cases and issues.	December 31, 2015	Cindy Buhagiar	Accounting has requested a change in Advantage to correct the Vendor Transaction History reporting. The consultant, CGI, developed an updated sytem patch to prevent inaccurate vendor transactions was unsuccessful. CGI is actively working with Accounting and Information Technology on a solution. It is expected this will be completed by December 31, 2015.	Division of Accounting continues to work with the Division of Information Technology and the Advantage/InfoAdvantage consultant, CGI, to correct the Vendor Transaction History reporting. A&I will continue to follow-up with DofA until the finding is resolved. Therefore, we require DofA to submit a 180-day status report by December 28, 2015.

State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help Save Water!

To: WILLIAM E. LEWIS
Assistant Director
Audits and Investigations

Date: September 4, 2015

File: P3000-0425

From: BIJAN SARTIPI
District Director
District 4

Subject: **D4 First Progress Report to Audit Report # P3000-0425 Regarding Cal-Card Audit**

District 4 has taken the following steps to address the findings of the audit. District 4 CAL-Card Liaison issued a memorandum to all District 4 CAL-Cardholders and Approving Officials reminding all CAL-Card holders and Approving Officials of the following.

- The security and correct use of the CAL-Card are the responsibilities of the Cardholder and the CAL-Card Manager. CAL-Card transactions must comply with the Department of Transportation's Acquisitions Manual, State requirements and Department of Transportation' policies and procedures.

Additionally, the memorandum emphasized the following.

- CAL-Card Transactions must be properly justified by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage is not sufficient, Cardholders could consider attaching additional documents.

- CAL-Card Holders must obtain and document prior approvals of purchases from CAL-Card Managers. The CPO documents must be prepared and approved completely and timely.

- All equipment costing $500.00 or more must be controlled, identified, tagged, and promptly recorded in Caltrans' Property Database. If equipment is approved, purchased, and paid for with a CAL-Card, a copy of the approved CPO must be sent to the District Property Controller. Contact Luana Malone at (510) 286-5973 or Chris Tamondong at (510) 286-5848 for additional information.

Furthermore, in an effort to further improve the CAL-Card process, District will continue to work with DPAC.

This will address all findings and recommendations by Audits. If a 180- and 360-day milestones progress reports are needed, please let us know.

If you have any questions or need additional information, please contact Premjit Rai, Deputy District Director of Administration at (510) 286-5894.

Attachment

1). A copy of the CAL-Card Liaison's Memorandum to District 4 CAL-Card holders and Managers

2). A copy of D4 Response to Draft Audit Report # P3000-0425

c: Premjit Rai, Deputy District Director, Administration, District 4
Jeffrey Armstrong, Staff Services Manager III, Office of Budgets, District 4
Damien Harris, Staff Services Manager III, Office of Business Management, District 4
Zilan Chen, Supervising Management Auditor, Audits & Investigations
Sunthari Pongpairoj, District CAL-Card Liaison, Office of Budgets, District 4
Douglas Gibson, Audit Manager, Internal Audits, Audits & Investigations
Emilio Flores, Staff Management Auditor, Audits & Investigations
Fifie King, Associate Management Auditor, Audits & Investigations

State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help Save Water!

To: DISTRICT 4 CAL-CARD HOLDERS AND MANAGERS

Date: September 3, 2015

From: SUNTHARI PONGPAIROJ
District 4 CAL-Card Liaison

Subject: CAL-Card Transactions and Tagging and Recording Equipment Purchases

The security and correct use of the CAL-Card are the responsibilities of the Cardholder and the CAL-Card Manager. CAL-Card transactions must comply with the Department of Transportation's Acquisitions Manual, State requirements and Department of Transportation' policies and procedures, and include the following:

1) CAL-Card Transactions must be properly justified by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage is not sufficient, Cardholders could consider attaching additional documents.

2) CAL-Card Holders must obtain and document prior approvals of purchases from CAL-Card Managers. The CPO documents must be prepared and approved completely and timely.

3) All equipment costing $500.00 or more must be controlled, identified, tagged, and promptly recorded in Caltrans' Property Database. If equipment is approved, purchased, and paid for with a CAL-Card, a copy of the approved CPO must be sent to the District Property Controller. Contact Luana Malone at (510) 286-5973 or Chris Tamondong at (510) 286-5848 for additional information.

If you have any questions, please contact Sunthari Pongpairoj, District 4 CAL-Card Liaison, at (510) 286-4740.

CAL-Card Training and Resources are also available online:
http://dpac.onramp.dot.ca.gov/cal-card-training-and-resources

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Cc: Premjit Rai, Deputy District Director, Administration, District 4
Jeffrey Armstrong, Staff Services Manager III, Office of Budgets, District 4
Damien Harris, Staff Services Manager III, Office of Business Management

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 4

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	A&I Analyis
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	District will issue a memo to all Cardholders and Approving Officials reminding them to ensure full compliance with DPAC's requirements with respect to CAL-Card purchases and emphasize:	August 30, 2015	District 4, Administration	Per memo from B. Sartipi to W. Lewis dated 9/4/15, D4 CAL-Card Liaison issued a memo dated 9/3/14 to D4 CAL-Card holders and managers.	Action plan completed.
• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extednded Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	August 30, 2015	District 4, Administration	See above	See above
• Obtaining and documenting prior approvals of purchases.	• Obtaining and documenting prior approvals of purchases.	August 30, 2015	District 4, Administration	See above	See above
• Preparing and approving CPOs completely andtimely.	• Preparing and approving CPOs completely and timely.	August 30, 2015	District 4, Administration	See above	See above
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	District 4 will continue to work with DPAC in an effort to further improve the CAL-Card process.	August 30, 2015	District 4, Administration	On-going	On-going

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	A&I Analyis
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	District will issue a memo to all Cardholders and Approving Officials reminding them of the requirements for properly tagging and recording equipment (over $500.00).	August 30, 2015	District 4, Administration	Per memo from B. Sartipi to W. Lewis dated 9/4/15, D4 CAL-Card Liaison issued a memo dated 9/3/14 to D4 CAL-Card holders and managers.	Action plan completed.

State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought.
Help save water!

To: EMILIO FLORES
Staff Management Auditor
Audits and Investigations

Date: September 14, 2015

File:

From: SHARRI BENDER EHLERT
Deputy District Director
District 6

Subject: **Cal-Card Audit – District 6 – 60 Day Response (P3000-0425)**

The following are in response to the Audit and Investigations recommendations provided in the Cal-Card Audit Draft Report.

Finding 1 – Cal-Card Transaction Weaknesses

- Continue to remind cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to Cal-Card purchases.
- Request DPAC to provide monthly summary of errors committed by D6 cardholders. This list will be used to notify the Cal-Card managers which individuals are out of compliance.
- Request DPAC to develop a comprehensive face-to-face cardholder training for staff for whom on-line training is not sufficient.
- The maintenance has instituted more stringent controls for Cal-Card managers to monitor procurement documents to ensure purchases include appropriate justification as well as to ensure purchases have prior approval.
- Maintenance Division has changed their process to ensure CPO's are created in a timely manner.

Finding 2 – Weaknesses in Tagging and Recording Equipment Purchases

- Remind Cal-Card holders and Cal-card managers to comply with Caltrans guidelines and policies for tagging state owned property as outlined in SAM Sections 8650-8652, and Chapters 6.2, 12.4.6 of the DPAC Acquisition Manual.
- District Property Controller will create and generate a monthly listing of all procurement and confirm that items requiring tagging are issued tags in accordance with SAM.

See attached 60 Day Status Update.

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	Continue to remind cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Ongoing, monthly with the CAL-card Liaison Meeting notes	CAL-Card Liaison & CAL-card Managers	D6 CAL-card Liaison sends monthly remidners with CAL-card Liaison meeting notes to cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Ongoing
	Request DPAC to provide a monthly summary of errors committed by D6 cardholders. This list will be used to notify the CAL-Card managers which individuals are out of compliance.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.	
	Request DPAC to develop a comprehensive face-to-face cardholder training for staff for whom on line-training is not sufficient.	Effective 06/01/15 and ongoing	Maintenance Manager II	D6 is in discussion with Mari Jo Snider of the CAL-card uint to develop a training class suited for our needs.	Pending
• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	See box 1 above Also, the MTCE division has instituted more stringent controls for Cal Card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Effective 06/01/15 and ongoing	Cal Card Managers	MTCE division has instituted more stringent controls for CAL-card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Ongoing
• Obtaining and documenting prior approvals of purchases.	See box 1 above. Also, the MTCE division has instituted more stringent controls for Cal-Card managers to ensure purchases have prior approval.	Effective 06/01/15 and ongoing	CAL-card Holders, CAL-Card Managers	MTCE division has instituted more stringent controls for CAL-card managers to ensure purchases have prior approval.	Ongoing
• Preparing and approving CPOs completely and timely.	See box 1 above. Also, the MTCE division has changed their process to ensure CPOs are created in a timely manner.	Effective 06/01/15 and ongoing	CAL-Card Holders, CAL-Card Managers	MTCE division has changed their process to ensure CPOs are created in a timely manner.	Ongoing
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	Continue to invite cardholders and CAL-Card managers to CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Effective 06/01/15 and ongoing	CAL-Card Liaison	CAL-card Liaison invites cardholders and CAL-Card managers to monthly CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Ongoing
	See box 1 above, request for monthly error report & DPAC training.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.	Ongoing

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	Remind CAL-card holders and CAL-Card managers to comply with Caltrans guidelines and policies for tagging State owned property as outlined in SAM Sections 8650-8652, and Chapters 6.2 & 12.4.6, of the DPAC Acquisition Manual	08/01/15	District Property Control Officer	Incomplete	10/1/2015
	District Property Controller will create and generate a monthly listing of all procurement and confirm that items requiring tagging are issue tags in accordance with SAM.	Monthly effective 07/01/15	District Property Control Officer	District Property Control Officer is using AMS system to identify potential procurement items that requrire tagging, and to remind cardholders of the tagging requirements. DataLink team is developing a report that will identify "commodity" which will make this process more	Ongoing

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	A&I Analysis
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	Continue to remind cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Ongoing, monthly with the CAL-card Liaison Meeting notes	CAL-Card Liaison & CAL-card Managers	D6 CAL-card Liaison sends monthly remidners with CAL-card Liaison meeting notes to cardholders and managers to observe and fully comply with the requirements of DPAC's Acquisition Manual with respect to CAL-Card purchases.	Ongoing	Ongoing
	Request DPAC to provide a monthly summary of errors committed by D6 cardholders. This list will be used to notify the CAL-Card managers which individuals are out of compliance.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.		
	Request DPAC to develop a comprehensive face-to-face cardholder training for staff for whom on line-training is not sufficient.	Effective 06/01/15 and ongoing	Maintenance Manager II	D6 is in discussion with Mari Jo Snider of the CAL-card uint to develop a training class suited for our needs.	Pending	Requires 180-day status report due 12/28/15
• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	See box 1 above Also, the MTCE division has instituted more stringent controls for Cal Card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Effective 06/01/15 and ongoing	Cal Card Managers	MTCE division has instituted more stringent controls for CAL-card Managers to monitor procurement documents to ensure purchases include appropriate justification.	Ongoing	Ongoing
• Obtaining and documenting prior approvals of purchases.	See box 1 above. Also, the MTCE division has instituted more stringent controls for Cal-Card managers to ensure purchases have prior approval.	Effective 06/01/15 and ongoing	CAL-card Holders, CAL-Card Managers	MTCE division has instituted more stringent controls for CAL-card managers to ensure purchases have prior approval.	Ongoing	Ongoing
• Preparing and approving CPOs completely and timely.	See box 1 above. Also, the MTCE division has changed their process to ensure CPOs are created in a timely manner.	Effective 06/01/15 and ongoing	CAL-Card Holders, CAL-Card Managers	MTCE division has changed their process to ensure CPOs are created in a timely manner.	Ongoing	Ongoing
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	Continue to invite cardholders and CAL-Card managers to CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Effective 06/01/15 and ongoing	CAL-Card Liaison	CAL-card Liaison invites cardholders and CAL-Card managers to monthly CAL- Card Liaison meetings so they can learn about trending issues directly from DPAC and bring questions forward as they arise.	Ongoing	Ongoing
	See box 1 above, request for monthly error report & DPAC training.	08/01/15	CAL-Card Liaison	DPAC has instituted a"3 Strikes" process to idenity infractions of policy and procedures. Managers are advised to use this as a tool to identify when additional training is necessary.	Ongoing	Ongoing

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 6

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	A&I Analysis
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	Remind CAL-card holders and CAL-Card managers to comply with Caltrans guidelines and policies for tagging State owned property as outlined in SAM Sections 8650-8652, and Chapters 6.2 & 12.4.6, of the DPAC Acquisition Manual	08/01/15	District Property Control Officer	Incomplete	10/1/2015	Requires 180-day status report due 12/28/15
	District Property Controller will create and generate a monthly listing of all procurement and confirm that items requiring tagging are issue tags in accordance with SAM.	Monthly effective 07/01/15	District Property Control Officer	District Property Control Officer is using AMS system to identify potential procurement items that requrire tagging, and to remind cardholders of the tagging requirements. DataLink team is developing a report that will identify "commodity" which will make this process more efficient.	Ongoing	Ongoing

State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

Serious drought. Help save water!

To: WILLIAM E. LEWIS
Assistant Director
Audits and Investigations

Date: October 7, 2015

File:

From: KEVIN M. STROUGH
Deputy District Director, Administration
District 8

Subject: **TRANSMITTAL MEMORANDUM**

Attached is District 8's 60-day status report in response to the CAL-Card Audit Report P3000-0425. If you have any questions, please contact me at (909) 383-4576.

Attachment
District 8 60-day Status Report

c: Zilan Chen, Chief, Internal Audits, Audits and Investigations
Douglas Gibson, Manager, Internal Control Audits, Audits and Investigations

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 8

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	D8 will provide quarterly training to cardholders and car managers on topics that the CalCard liaison deems pertinent to District 8 issues. The liaison will forward the handouts from the monthly CalCard Liaison Teleconference to cardholders and card managers.	To begin July 2015, monthly and quarterly.	Corina Harriman	D8 Liaison has emailed handouts from the CAL-Card Liaison Teleconference to cardholders and managers for July and August and will continue to do so. Training is being scheduled.	November 2015
• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	see above			Incorporated into reminder emails and quarterly training.	Ongoing
• Obtaining and documenting prior approvals of purchases.	see above			See above	Ongoing
• Preparing and approving CPOs completely and timely.	see above			See above	Ongoing
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	D8 Liaison will work with DPAC and DofA with any issues that staff experiences.	as needed	Corina Harriman	D8 Liaison is working with DPAC and DofA as needed.	Ongoing

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 8

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	D8 Property Controller will notify Cal Card holders and managers of changes to the Equipment Tagging Requirements as directed by HQ.	As needed per DPAC Property Control updates.	Yvette Kearns	Ongoing	Ongoing

Audits and Investigations (A&I)
60-Day Status Report

Audit Name: CAL-Card **Audit No.: P3000-0425**

Auditee: District 8

Audit Report Finding 1

CAL-Card Transaction Weaknesses

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	A&I Analysis
1. Remind cardholders and card managers to observe and fully comply with the requirements of the DPAC's Acquisition Manual with respect to CAL-Card purchases, with particular emphasis regarding:	D8 will provide quarterly training to cardholders and car managers on topics that the CalCard liaison deems pertinent to District 8 issues. The liaison will forward the handouts from the monthly CalCard Liaison Teleconference to cardholders and card managers.	To begin July 2015, monthly and quarterly.	Corina Harriman	D8 Liaison has emailed handouts from the CAL-Card Liaison Teleconference to cardholders and managers for July and August and will continue to do so. Training is being scheduled.	November 2015	Requires 180-day status report due 12/28/15
• Properly justifying purchases by including a full description of goods and services, the reason for the purchases, and the benefit to the state. If the "Extended Description" field in Advantage/InfoAdvantage is not sufficient, cardholders could consider attaching additional documents.	see above			Incorporated into reminder emails and quarterly training.	Ongoing	Ongoing
• Obtaining and documenting prior approvals of purchases.	see above			See above	Ongoing	Ongoing
• Preparing and approving CPOs completely and timely.	see above			See above	Ongoing	Ongoing
2. Work with DPAC and DofA to identify ways to improving the CAL-Card process and overcome the difficulties experience by staff.	D8 Liaison will work with DPAC and DofA with any issues that staff experiences.	as needed	Corina Harriman	D8 Liaison is working with DPAC and DofA as needed.	Ongoing	Ongoing

Audit Report Finding 2

Weaknesses in Tagging and Recording Equipment Purchases

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status	Revised Estimated Completion Date	Revised Estimated Completion Date
District management should continually remind CAL-Card holders and managers of the requirements for tagging and recording equipment.	D8 Property Controller will notify Cal Card holders and managers of changes to the Equipment Tagging Requirements as directed by HQ.	As needed per DPAC Property Control updates.	Yvette Kearns	Ongoing	Ongoing	Ongoing