STATE OF CALIFORNIA—NATURAL RESOURCES AGENCY EDMUND G. BROWN, JR., *GOVERNOR*

CALIFORNIA COASTAL COMMISSION

45 FREMONT ST., STE. 2000
SAN FRANCISCO, CA 94105-2219
VOICE (415) 904-5200
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MEMORANDUM July 15, 2015

To: Dale Jones
Chief
Caltrans HQ/Division of Environmental Analysis/GNEIS Office

From: Susan Hansch
Chief Deputy Director
California Coastal Commission

Subject: **360-Day Status Report to 7/15/14 Findings and Recommendations**

Please find attached the Coastal Commission's 360-day status report as requested by Caltrans' Audit & Investigations' *Audit of the California Coastal Commission Agreement 43A0295* P4000-0388, dated July 2014.

The final audit report requested that the status of corrective actions be provided to Caltrans' Division of Environmental Analysis at 60, 180 and 360 days from the date of the final report, which was intended for the Commission's and Caltrans' management. As we have previously discussed, we appreciate having had this report to help inform our continued interagency collaborations and to help shape the upcoming Interagency Agreement between our agencies.

If you have any questions or need additional information, please feel free to call me at (415) 904-5200 or Tami Grove, the Commission's Statewide Development and Transportation Program Manager, at (831) 278-4863.

Attachment

Cc: Scott Williams, CT HQ DEA
Tami Grove, CCC

Table 1
Caltrans' A & I Audit of CCC Agreement 43A0295
360-Day Progress Report

Table to Address Audit Findings and Recommendations Dated July 15, 2014

Audit Report Finding	Recommendation	360 Day Status Implementation by California Coastal Commission
#1 a. Direct costs are not identified on a project-by-project basis	Ensure project costs are adequately supported, actual and incurred in accordance with SAM and Agreement provisions, and employee time records identify specific project hours to support billed labor in the Performance Reports	Commission staff continues to meet the terms of the existing agreement. Commission and CT DEA staffs have met during the first half of 2015 to develop the next interagency agreement; all identified project-specific information interests have been reflected in new draft agreement.
#1 b. Indirect and operating costs are not adequately supported	Establish a method of billing indirect and operating costs that are based upon actual agency wide operating expenditures	Historical records of indirect costs were used to develop the budgeted rate of 20%, which has been the approximate actual average rate from FY2009 to present. (Documentation for this can be presented if necessary.) Similarly, operating costs included in the Agreement were based on actual averages of historic operating costs needed to keep the agency operational, with built-in inflation factors. Commission staff has researched the experience of sister agencies that have entered into an Agreement with a Federal Agency in order to use that Federal Agency's negotiated rates as the basis for determining overhead costs in the future. Unless and until the Commission enters into such an agreement, coordination will continue with CT DEA staff in the implementation of agreements to ensure full cost recovery per SAM 8752.
#1 c. Car usage fees are not	Implement procedures to ensure	The Commission calculated car

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Caltrans' A & I Audit of CCC Agreement 43A0295
360-Day Progress Report

billed at actual cost	DGS usage fees are billed at actual costs	usage fees based upon a daily rate per DGS when the agreement was enacted; DGS since changed to a monthly rate. The Commission now uses in its invoices the new method to agree with actual DGS charges.
#2 Invoiced and billed indirect and operating costs are not actual incurred costs; CCC did not adequately support the Agreement estimates and calculations	Implement procedures to ensure billed indirect and operating expenses are supported by actual, historical costs and in accordance with SAM and agreement provisions	Historical records of indirect costs were used to develop budgeted rate of 20%, which has been the approximate actual average rate from FY2009 to present. (Documentation for this can be presented if necessary.) Similarly, operating costs included in the Agreement were based on actual averages of historic operating costs needed to keep the agency operational, with built-in inflation factors. Commission staff has researched the experience of sister agencies that have entered into an Agreement with a Federal Agency in order to use that Federal Agency's negotiated rates as the basis for determining overhead costs in the future. Unless and until the Commission enters into such an agreement, coordination will continue with CT DEA staff in the implementation of agreements to ensure full cost recovery per SAM 8752.

STATE OF CALIFORNIA—NATURAL RESOURCES AGENCY

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MEMORANDUM

January 9, 2014

To: Dale Jones
Chief
Caltrans HQ/Division of Environmental Analysis/GNEIS Office

From: Susan Hansch
Chief Deputy Director
California Coastal Commission

Subject: **180-Day Status Report to 7/15/14 Findings and Recommendations**

Please find attached the Coastal Commission's 180-day status report as requested by Caltrans' Audit & Investigations' *Audit of the California Coastal Commission Agreement 43A0295* P4000-0388, dated July 2014.

The final audit report requested that the status of corrective actions be provided to Caltrans' Division of Environmental Analysis at 60, 180 and 360 days from the date of the final report, which was intended for the Commission's and Caltrans' management. As we have previously discussed, we look forward to having this report help inform our continued interagency collaborations and in shaping subsequent agreements between our agencies.

If you have any questions or need additional information, please feel free to call me at (415) 904-5200 or Tami Grove, the Commission's Statewide Development and Transportation Program Manager, at (831) 278-4863.

Attachment

Cc: Scott Williams, CT HQ DEA
Tami Grove, CCC

Table 1
Caltrans' A & I Audit of CCC Agreement 43A0295
180-Day Progress Report

Table to Address Audit Findings and Recommendations Dated July 15, 2014

Audit Report Finding	Recommendation	180 Day Status Implementation by California Coastal Commission
#1 a. Direct costs are not identified on a project-by-project basis	Ensure project costs are adequately supported, actual and incurred in accordance with SAM and Agreement provisions, and employee time records identify specific project hours to support billed labor in the Performance Reports	Commission staff continues to meet the terms of the existing agreement. Commission and CT DEA staff have set up meetings in 2015 to discuss next interagency agreement; any project-specific information needs that are not being met under the current arrangement will be addressed.
#1 b. Indirect and operating costs are not adequately supported	Establish a method of billing indirect and operating costs that are based upon actual agency wide operating expenditures	Historical records of indirect costs were used to develop budgeted rate of 20%, which has been the approximate actual average rate from FY2009 to present. (Documentation for this can be presented if necessary.) Similarly, operating costs included in the Agreement were based on actual averages of historic operating costs needed to keep the agency operational, with built-in inflation factors. Commission staff will be working with CT DEA staff in the implementation of future agreements to ensure full cost recovery per SAM 8752.
#1 c. Car usage fees are not billed at actual cost	Implement procedures to ensure DGS usage fees are billed at actual costs	The Commission calculated car usage fees based upon a daily rate per DGS when the agreement was enacted; DGS since changed to a monthly rate. The Commission now uses in its invoices the new method to agree with actual DGS charges.
#2 Invoiced and billed indirect and operating costs are not	Implement procedures to ensure billed indirect and operating	Historical records of indirect costs were used to develop

Table 1
Caltrans' A & I Audit of CCC Agreement 43A0295
180-Day Progress Report

actual incurred costs; CCC did not adequately support the Agreement estimates and calculations	expenses are supported by actual, historical costs and in accordance with SAM and agreement provisions	budgeted rate of 20%, which has been the approximate actual average rate from FY2009 to present. (Documentation for this can be presented if necessary.) Similarly, operating costs included in the Agreement were based on actual averages of historic operating costs needed to keep the agency operational, with built-in inflation factors. Commission staff will be working with CT DEA staff in the implementation of future agreements to ensure full cost recovery per SAM 8752.

STATE OF CALIFORNIA—NATURAL RESOURCES AGENCY EDMUND G. BROWN, JR., *GOVERNOR*

CALIFORNIA COASTAL COMMISSION

45 FREMONT ST., STE. 2000
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MEMORANDUM September 15, 2014

To: Dale Jones
Chief
Caltrans HQ/Division of Environmental Analysis/GNEIS Office

From: Susan Hansch
Chief Deputy Director
California Coastal Commission

Subject: **60-Day Status Report to 7/15/14 Findings and Recommendations**

Please find attached the Coastal Commission's 60-day status report as requested by Caltrans' Audit & Investigations' *Audit of the California Coastal Commission Agreement 43A0295* P4000-0388, dated July 2014.

The final audit report requested that the status of corrective actions be provided to Caltrans' Division of Environmental Analysis at 60, 180 and 360 days from the date of the final report, which was intended for the Commission's and Caltrans' management. As we have previously discussed, we look forward to having this report help inform our continued interagency collaborations and in shaping subsequent agreements between our agencies.

If you have any questions or need additional information, please feel free to call me at (415) 904-5200 or Tami Grove, the Commission's Statewide Development and Transportation Program Manager, at (831) 278-4863.

Attachment

Cc: Scott Williams, CT HQ DEA
Tami Grove, CCC

Table 1
Caltrans' A & I Audit of CCC Agreement 43A0295
60-Day Progress Report

Table to Address Audit Findings and Recommendations Dated July 15, 2014

Audit Report Finding	Recommendation	60 Day Status Implementation by California Coastal Commission
#1 a. Direct costs are not identified on a project-by-project basis	Ensure project costs are adequately supported, actual and incurred in accordance with SAM and Agreement provisions, and employee time records identify specific project hours to support billed labor in the Performance Reports	Commission staff will continue to meet the terms of the existing agreement. Commission and CT DEA staff recently initiated negotiation of the next interagency agreement; any project-specific information needs that are not being met under the current arrangement will be addressed.
#1 b. Indirect and operating costs are not adequately supported	Establish a method of billing indirect and operating costs that are based upon actual agency wide operating expenditures	Historical records of indirect costs were used to develop budgeted rate of 20%, which has been the approximate actual average rate from FY2009 to present. (Documentation for this can be presented if necessary.) Similarly, operating costs included in the Agreement were based on actual averages of historic operating costs needed to keep the agency operational, with built-in inflation factors. Commission staff intends to work with CT DEA staff in the implementation of future agreements to ensure full cost recovery per SAM 8752.
#1 c. Car usage fees are not billed at actual cost	Implement procedures to ensure DGS usage fees are billed at actual costs	The Commission calculated car usage fees based upon a daily rate per DGS when the agreement was enacted; DGS since changed to a monthly rate. The Commission now uses in its invoices the new method to agree with actual DGS charges.
#2 Invoiced and billed indirect and operating costs are not	Implement procedures to ensure billed indirect and operating	Historical records of indirect costs were used to develop

Table 1
Caltrans' A & I Audit of CCC Agreement 43A0295
60-Day Progress Report

actual incurred costs; CCC did not adequately support the Agreement estimates and calculations	expenses are supported by actual, historical costs and in accordance with SAM and agreement provisions	budgeted rate of 20%, which has been the approximate actual average rate from FY2009 to present. (Documentation for this can be presented if necessary.) Similarly, operating costs included in the Agreement were based on actual averages of historic operating costs needed to keep the agency operational, with built-in inflation factors. Commission staff intends to work with CT DEA staff in the implementation of future agreements to ensure full cost recovery per SAM 8752.