



Transmitted via e-mail

August 17, 2012

Mr. Leroy G. Shipp, Chairperson
State Council on Developmental Disabilities
1507 21st Street, Suite 210
Sacramento, CA 95814

Dear Mr. Shipp:

Management Letter—State Council on Developmental Disabilities Review

The Department of Finance, Office of State Audits and Evaluations (Finance), recently reviewed the State Council on Developmental Disabilities (SCDD) headquarters operations, contracting practices, and travel account activity from July 2010 through March 2012, under Finance's authority provided by Government Code section 13070. Finance conducted this limited review during the period March through May 2012.

Results

Finance identified concerns and deficiencies that, if not addressed, could result in management override of controls not being prevented or detected and the waste of state resources. The review found travel claims were authorized and properly supported for reimbursement; however, concerns about the headquarters operating environment and deficiencies in contracting practices were identified; and are discussed below.

Our review included conducting interviews with staff from:

- SCDD
- Department of General Services (DGS)
- Department of Social Services (DSS)

The following documentation was reviewed on a sample basis:

- SCDD contract files
- Claim schedules
- Travel claims

Observation 1: Conditions within the Headquarters Operating Environment

Government Code section 13401 states active oversight, including regular and ongoing monitoring processes, for the prevention and early detection of fraud and errors in program administration are vital to public confidence and the appropriate and efficient use of public resources.