



Transmitted via e-mail

August 16, 2013

Major General Peter J. Gravett, Secretary
California Department of Veterans Affairs
1227 O Street
Sacramento, CA 95814

Dear Major General Gravett:

Audit of Veterans' Homes Bond Act of 2000

The purpose of this letter is to communicate satisfactory completion of the audit requirements related to the Veterans' Homes Bond Act of 2000 (Chapter 728, Statutes of 1999). This act authorized the expenditure of \$50 million in general obligation bonds for the construction of veterans' homes in California. The bond funds were used as state match, along with other state and federal funding. On November 9, 1999, the Governor directed the Department of Finance (Finance) to audit the expenditure of these bond funds.

Due to the long-term nature of the construction program, most projects were not completed and ready for audit until 2010. As part of the state's single audit, the California State Auditor audited the construction expenditures of the Veterans' Homes for the fiscal years ended June 30, 2009 and June 30, 2010, for purposes of verifying federal compliance. The State Auditor reviewed the relevant internal controls and tested a sample of construction invoices to determine eligibility of expenditures. The State Auditor also verified the state matching requirements were met.

To avoid audit duplication, we reviewed the State Auditor's working papers and concluded its audits satisfied the audit requirements related to the act. This will complete Finance's audit role. No further action is required by your department. If you have any questions, please contact Rick Sierra, Assistant Chief, at (916) 322-2985, Ext. 3103.

Sincerely,

Original signed by:

David Botelho, CPA
Chief, Office of State Audits and Evaluations

cc: On following page

cc: Mr. Michael Wells, Undersecretary, Operations, California Department of Veterans Affairs
Ms. Diane Vanderpot, Undersecretary, Veterans' Homes, California Department of Veterans Affairs
Mr. J.P. Tremblay, Deputy Secretary, Communications and Legislation, California Department of Veterans Affairs
Ms. Deborah Harper, Deputy Secretary, Administration, California Department of Veterans Affairs
Mr. Rick Gillam, Chief, Office of Audit Services, Department of General Services