

Joint Legislative Audit Committee

2023 – 2024 End of Session Report

Assembly Member Gregg Hart, Chair
Senator John Laird, Vice Chair

Assembly Members

Tasha Boerner
Josh Hoover
Jim Patterson
Sharon Quirk-Silva
Blanca Rubio
Avelino Valencia

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Dave Cortese
Susan Talamantes Eggman
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Joint Legislative Audit Committee

2023-24 END OF SESSION REPORT

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JOINT LEGISLATIVE AUDIT COMMITTEE

2023-2024 Legislative Session

INTRODUCTION

With a goal of improving government performance, the Joint Legislative Audit Committee (Audit Committee) independently and through the work of the California State Auditor's Office (Auditor's Office) oversees the operations and finances of state and local government and publicly created entities. The Audit Committee reviews and takes action on audit requests, which may be submitted to the Committee by any Member of the Legislature as well as the California State Auditor. The Audit Committee also monitors government operations through oversight hearings.

The Audit Committee was established through the Legislature's rulemaking authority under the California Constitution, Government Code Section 10501, and the Joint Rules of the Senate and Assembly, Rule 37.3. Duties and responsibilities in the Joint Rules of the Senate and Assembly apply to the Audit Committee as well as all powers conferred upon committees by Article IV, Section 11 of the California Constitution.

The Audit Committee is a 14-member committee consisting of seven Assembly Members and seven Senators. The Chair of the Audit Committee is a member of the Assembly, and the Vice Chair is a member of the Senate. The Audit Committee can meet and conduct its business at any time and at any location within the State, including during recess and the interim period between sessions.

The Chair sets the schedule of hearings, directs the order of presentation and consideration of audit requests, facilitates discussion and questions asked by Members on the Audit Committee, and solicits public comment at each hearing. During hearings that require committee action on any matter, four Members from each house constitute a quorum and the number of votes necessary to take any action.

The Audit Committee considers each audit request, as analyzed by the Auditor's Office, and takes one of four actions on each request: approve, deny, hold, or refer to another agency. Audit requests approved by the Audit Committee are forwarded to the Auditor's Office. For these audits, the Audit Committee sets the priorities for the Auditor's Office.

Audits considered by the Audit Committee include performance audits that can examine the following related to state agencies and government programs: whether they are efficiently and effectively functioning as the Legislature intended; accomplishing their goals and objectives; complying with laws, regulations and policies; and using state resources properly. Performance audits can be on a variety of topics, ranging from broad to very specific scopes. The Audit Committee can also consider financial and financial-related audits of governmental and publicly created entities.

Additionally, the Audit Committee considers high-risk local government audit requests proposed by the California State Auditor. The California State Auditor may submit an audit request to be heard by the Audit Committee if he identifies a local government agency as high risk for the potential for waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness (Government Code, Section 8546.10).

During the 2023-24 Legislative Session, the Audit Committee held three regular hearings at which 32 audit requests were considered. The Audit Committee approved all 32 audit requests. The Audit Committee approved three additional audit requests it received during recess or interim under Committee Rule 18. Refer to subsequent sections of this report for detailed listings of hearings and audit requests, and for data and trends on audit requests covering the past five years. The Audit Committee also held five oversight hearings on multiple topics during the 2023-24 Legislative Session. For a detailed listing of these hearings, please refer to subsequent sections. Additional information about the Committee is available online at: <http://legaudit.assembly.ca.gov/>.

California State Auditor's Office

The California State Auditor's Office (Auditor's Office) promotes the effective and efficient management of public funds and programs by providing audits of state and local government operational and financial activities to the Legislature, government officials, and citizens. The Auditor's Office is the only California state agency statutorily authorized to perform independent, nonpartisan external audits (Government Code, Section 8453 et al.). As the State's independent auditor, state law exclusively grants the Auditor's Office unfettered access to records of state and local agencies, special districts, school districts, and any publicly created entity.

The Auditor's Office is responsible for annually conducting California's statewide Single Audit, a combination audit regarding the State's basic financial statements and the numerous federal programs administered by California entities. Further, when resources are available, the Auditor's Office has the authority to initiate evaluations of state issues and entities identified as being high-risk for the potential for waste, fraud, abuse, and mismanagement or that have major challenges related to efficiency and effectiveness. Similar to the state high-risk program, the Auditor's Office, to the extent resources are available, identifies local government agencies including cities, counties, special districts or publicly created entities that are high risk. When approved by the Audit Committee, the Auditor's Office can audit these local entities.

Additionally, the Auditor's Office is statutorily authorized to administer California's Whistleblower Protection Act, which allows state employees and the public to report allegations of improper governmental activities committed by state agencies and their employees (Government Code Section 8547 et al.). The Auditor's Office has the authority to investigate and report on improper governmental activities.

To support the activities of the Auditor's Office, the state budget appropriated approximately \$45 million for fiscal years 2022-23 and approximately \$47 million for 2023-24. The Auditor's

Office staffing averaged about 163 permanent employees in 2023 and about 165 permanent employees in 2024.

In 2023, the Auditor's Office released 12 audits approved by the Audit Committee. In 2024, it released or planned to release 19 audits approved by the Audit Committee. Refer to subsequent sections for data and trends on the number of select reports released by the Auditor's Office during the most recent five years. Reports on audits and investigations are available on the Auditor's Office website at: www.auditor.ca.gov.

Joint Legislative Audit Committee California High-Speed Rail Authority Inspector General Selection Process

In accordance with SB 198 (Transportation Committee, 2022), the Joint Legislative Audit Committee (Audit Committee) is tasked with conducting a comprehensive search every four years to find candidates to be the California High-Speed Rail Authority Inspector General (Inspector General). To seek candidates, the Audit Committee must notice the position in the Journals of the Senate and Assembly and advertise the position in appropriate newspapers and professional journals. From the candidate pool, the Audit Committee must nominate three qualified individuals to the Governor to be the Inspector General.

The Subcommittee on the Selection of the High-Speed Rail Inspector General was formed to interview candidates and make recommendations to the full Audit Committee. Assembly Members Alvarez, Patterson, and Valencia and Senators Blakespear, Gonzalez, and Seyarto were the members on the Subcommittee. The full Joint Legislative Audit Committee met in June 2023 and nominated three qualified individuals (Ben Belnap, Courtney Ruby, and Eduardo Luna) to the Governor to be the State's first Inspector General. The Audit Committee sent a letter on June 19, 2023, to Governor Gavin Newsom with the names of the three individuals, from which the Governor selected Ben Belnap to be the Inspector General.

Joint Legislative Audit Committee Votes on Audit Requests in 2023

Summary of Results

Audits Considered 22
Audits Approved 22
Audits Failed 0

March 22, 2023 Regular Hearing

- 2023-101 **Santa Clara Valley Transportation Authority**
 Requested by Assembly Member Berman
 Approved (11-0)
- 2023-102 **State and Local Government Homelessness Funding**
 Requested by Senator Cortese
 Approved (13-0)
- 2023-103 **Departments of Health Care Services and Public Health—Comprehensive
Perinatal Services Program**
 Requested by Assembly Member Bauer-Kahan
 Approved (12-0)
- 2023-104 **California Labor Commissioner’s Office—Backlog of Wage Theft Cases**
 Requested by Senator Glazer
 Approved (12-0)
- 2023-105 **Franchise Tax Board—Middle Class Tax Refunds**
 Requested by Assembly Member Alvarez
 Approved (13-0)
- 2023-106 **University of California—Online Program Management**
 Requested by Assembly Member Alvarez
 Approved (13-0)
- 2023-107 **Riverside and San Bernardino Counties—Proposition 47**
 Requested by Assembly Member Ramos
 Approved (13-0)

- 2023-110 **Fetal Death and Stillbirth Certificates**
 Requested by Senator Ashby
 Approved (11-0)
- 2023-112 **Department of Housing and Community Development—Mobilehome
 Residency Law Protection Program**
 Requested by Senator Seyarto
 Approved (13-0)
- 2023-115 **Department of Health Care Services and Managed Health Care—Access to
 Behavioral Health Services for Children**
 Requested by Assembly Member Weber
 Approved (14-0)
- 2023-116 **Local Government—Cannabis Licensing**
 Requested by Assembly Member Jones-Sawyer
 Approved (11-0)

June 26, 2023 Regular Hearing

- 2023-120 **Department of Health Care Services—Licensed Recovery and Treatment
 Facilities**
 Requested by Assembly Member Dixon
 Approved (14-0)
- 2023-122 **California Public Schools—Custodial Staffing and Cleanliness Standards**
 Requested by Assembly Member Alvarez
 Approved (14-0)
- 2023-123 **Community College Transfers**
 Requested by Assembly Member Alvarez
 Approved (14-0)
- 2023-124 **Local Streets and Roads Program—State and Local Oversight**
 Requested by Assembly Member Grayson
 Approved (14-0)
- 2023-126 **California Community Colleges—Instructor and Administrator Spending**
 Requested by Assembly Member Rodriguez
 Approved (13-0)
- 2023-127 **California Public Utilities Commission—Energy Efficiency Programs
 Oversight**
 Requested by Assembly Member Ting
 Approved (13-0)

- 2023-128 **Department of Pesticide Regulation—Registration and Assessment Funding**
 Requested by Senator Niello
 Approved (14-0)
- 2023-129 **Department of General Services—Tropical Forest Commodities**
 Requested by Assembly Member Kalra
 Approved (11-2)
- 2023-130 **Department of State Hospitals—Sexually Violent Predator Conditional
Release Program**
 Requested by Senator Jones
 Approved (14-0)

Emergency Audit Requests

- 2023-133 **City of Anaheim**
 Requested by Assembly Member Valencia
 Approved
- 2023-134 **Los Angeles County Probation Department**
 Requested by Assembly Member Jones-Sawyer
 Approved

Joint Legislative Audit Committee Votes on Audit Requests in 2024

Summary of Results

Audits Considered 13
Audits Approved 13
Audits Failed 0

May 14, 2024 Hearing

- 2024-103 **City of Huntington Beach—Pacific Airshow Settlement Agreement**
 Requested by Senator Min
 Approved (10-2)
- 2024-104 **Orange County—Section 8 Program**
 Requested by Assembly Member Quirk-Silva
 Approved (13-0)
- 2024-105 **Department of Cannabis Control—Youth Advertising and Marketing Enforcement**
 Requested by Assembly Member Irwin
 Approved (13-0)
- 2024-106 **Twin Rivers Unified School District and Highlands Community Charter School—Programs and Oversight**
 Requested by Assembly Member Muratsuchi
 Approved (13-0)
- 2024-107 **California Healthy Youth Act Implementation**
 Requested by Assembly Member Zbur
 Approved (10-1)
- 2024-108 **Alameda County—Department of Children and Family Services**
 Requested by Senator Wahab
 Approved (13-0)
- 2024-109 **Department of Housing and Community Development—Housing Element Reviews Procedures and Oversight**
 Requested by Senator Glazer
 Approved (13-0)

- 2024-111 **California Colleges—Affordable Student Housing**
 Requested by Assembly Member Hart
 Approved (13-0)
- 2024-114 **California State Facilities—Medical and Mental Healthcare Staffing
Contracts**
 Requested by Assembly Member Lowenthal
 Approved (13-0)
- 2024-115 **Division of Occupational Safety and Health—Oversight and Enforcement**
 Requested by Assembly Member Ortega
 Approved (12-0)
- 2024-116 **Department of Public Health—Office of AIDS**
 Requested by Senator Laird
 Approved (13-0)
- 2024-118 **Department of General Services and Department of Human Resources—
State Telework Policies**
 Requested by Assembly Member Hoover
 Approved (13-0)

Emergency Audit Request

- 2024-128 **City of Anaheim**
 Requested by Senator Umberg
 Approved

Joint Legislative Audit Committee Oversight Hearings in 2023

Joint Oversight Hearing – August 29, 2023

Committees: Joint Legislative Audit Committee and Select Committee on Native American Affairs.

Topic: Native American Graves Protection and Repatriation Act: The California State University Must Do More to Ensure the Timely Return of Native American Remains and Cultural Items to Tribes.

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations of an audit report released on June 29, 2023 titled, *Native American Graves Protection and Repatriation Act: The California State University Must Do More to Ensure the Timely Return of Native American Remains and Cultural Items to Tribes* (Report 2022-107). The California State Auditor and representatives from California State Universities Fullerton, Chico, Sonoma, and Sacramento participated at this hearing. The Native American Heritage Commission and tribal representatives from the San Manuel Band of Mission Indians, Picayune Rancheria of the Chukchansi Indians, Shingle Springs Band of Miwok Indians, Morongo Band of Mission Indians, Redding Rancheria Tribe, Tachi Yokut Tribe, and Federated Indians of Graton Rancheria similarly provided valuable information at the hearing.

Joint Oversight Hearing – August 31, 2023

Committees: Joint Legislative Audit Committee, Assembly Higher Education Committee, and Senate Education Committee.

Topic: California State University: It Did Not Adequately or Consistently Address Some Allegations of Sexual Harassment.

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations of an audit report released on July 18, 2023 titled, *California State University: It Did Not Adequately or Consistently Address Some Allegations of Sexual Harassment* (Report 2022-109). The California State Auditor, California State University, and representatives from Cozen O'Connor, the Cal State Student Association, the California State University Employees Union, and the California Faculty Association participated at the hearing.

Joint Legislative Audit Committee Oversight Hearings in 2024

Joint Oversight Hearing – June 20, 2024

Committees: Joint Legislative Audit Committee, Assembly Labor and Employment Committee, and Senate Labor, Public Employment and Retirement Committee.

Topic: The California Labor Commissioner's Office: Inadequate Staffing and Poor Oversight Have Weakened Protections for Workers.

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations of an audit report released on May 29, 2024 titled *The California Labor Commissioner's Office: Inadequate Staffing and Poor Oversight Have Weakened Protections for Workers* (Report 2023-104). The California State Auditor, California Labor Commissioner, Director of the Department of Industrial Relations, and a representative from the California Labor Federation participated at the hearing.

Joint Oversight Hearing – August 6, 2024

Committees: Select Committee on Native American Affairs and Joint Legislative Audit Committee.

Topic: Native American Graves Protection and Repatriation Act Compliance at California State University and the University of California.

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations in two audit reports. One report was released on June 29, 2023 and titled *Native American Graves Protection and Repatriation Act: The California State University Must Do More to Ensure the Timely Return of Native American Remains and Cultural Items to Tribes* (Report 2022-107). The other report was released on November 17, 2022 and titled *Native American Graves Protection and Repatriation Act: Despite Some Recent Improvements, the University of California Has Not Yet Taken Adequate Action to Ensure Its Timely Return of Native American Remains and Cultural Items* (Report 2021-047). The California State Auditor, Chancellor of California State University (CSU), and representatives from the University of California (UC), CSU Chico, UC Berkeley, the Native American Heritage Commission, and the following tribes: San Manuel Band of Mission Indians, Morongo Band of Mission Indians, Redding Rancheria, Tachi Yokut Tribe, Federated Indians of Graton Rancheria, and Pechanga Band of Indians all participated at the hearing.

Joint Oversight Hearing – August 14, 2024

Committees: Joint Legislative Audit Committee, Assembly Higher Education Committee, and Senate Education Committee.

Topic: California State University: It Did Not Adequately or Consistently Address Some Allegations of Sexual Harassment.

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations of an audit report released on July 18, 2023 titled, *California State University: It Did Not Adequately or Consistently Address Some Allegations of Sexual Harassment* (Report 2022-109). The California State Auditor, Chancellor of the California State University, and representatives from the Cal State Student Association, California State University Employees Union, and California Faculty Association participated at the hearing.

Joint Legislative Audit Committee Audit Reports Published in 2023

Summary

Total Audit Committee Reports Released in 2023 12

Audit Committee Reports Released by State Auditor

- 2022-102 **California Department of Public Health: It Has Missed Opportunities to Collect and Report Sexual Orientation and Gender Identity Data**
 Requested by Senator Wiener
 Published April 2023
- 2022-106 **Department of Water Resources: Its Forecasts Do Not Adequately Account for Climate Change and Its Reasons for Some Reservoir Releases Are Unclear**
 Requested by Assembly Member Gray
 Published May 2023
- 2022-107 **Native American Graves Protection and Repatriation Act: The California State University Must Do More to Ensure the Timely Return of Native American Remains and Cultural Items to Tribes**
 Requested by Assembly Member Ramos
 Published June 2023
- 2022-109 **California State University: It Did Not Adequately or Consistently Address Some Allegations of Sexual Harassment**
 Requested by Assembly Member Salas
 Published July 2023
- 2022-110 **Charter School Facility Grant Program and Conduit Financing Program: The Programs Are Generally Achieving Their Purpose of Increasing Charter Schools' Access to Facility Funding**
 Requested by Assembly Member Bonta
 Published February 2024
- 2022-112 **CalOptima Health: It Has Accumulated Excessive Surplus Funds and Made Questionable Hiring Decisions**
 Requested by Assembly Member Quirk-Silva
 Published May 2023

- 2022-113 **California Community Colleges: Increasing Full-Time Faculty and Diversity Remains a Challenge**
Requested by Assembly Member Low
Published February 2023
- 2022-114 **California Department of Technology: Weaknesses in Strategic Planning, Information Security, and Project Oversight Limit the State's Management of Information Technology**
Requested by Assembly Member Petrie-Norris
Published April 2023
- 2022-115 **Electricity and Natural Gas Rates: The California Public Utilities Commission and Cal Advocates Can Better Ensure That Rate Increases Are Necessary**
Requested by Assembly Member Boerner
Published August 2023
- 2022-120 **Orange County Power Authority: Increased Board Oversight Is Needed to Improve Its Operations**
Requested by Senator Umberg
Published February 2023
- 2023-112 **Mobilehome Residency Law Protection Program: The California Department of Housing and Community Development Must Improve Its Oversight of the Program**
Requested by Senator Seyarto
Published December 2023
- 2023-115 **Department of Health Care Services and Department of Managed Health Care: Children Enrolled in Medi-Cal Face Challenges in Accessing Behavioral Health Care**
Requested by Assembly Member Weber
Published November 2023

Joint Legislative Audit Committee Audit Reports Published in 2024

Summary

Total Audit Committee Reports Released or Anticipated in 2024 19

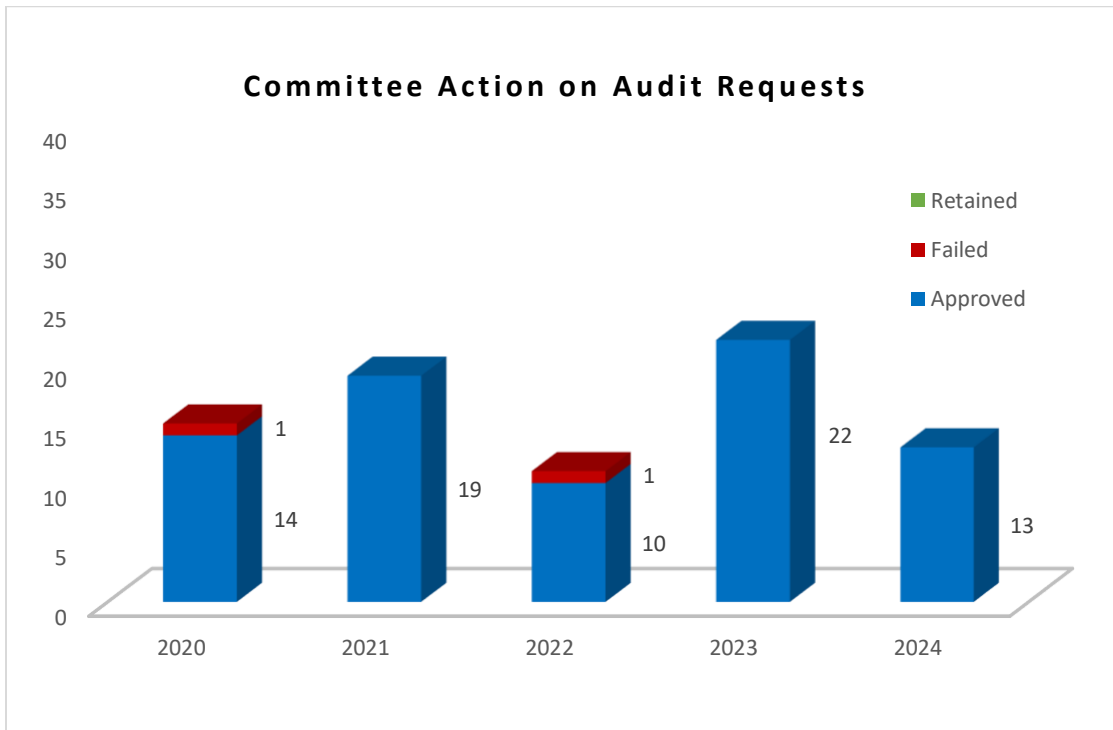
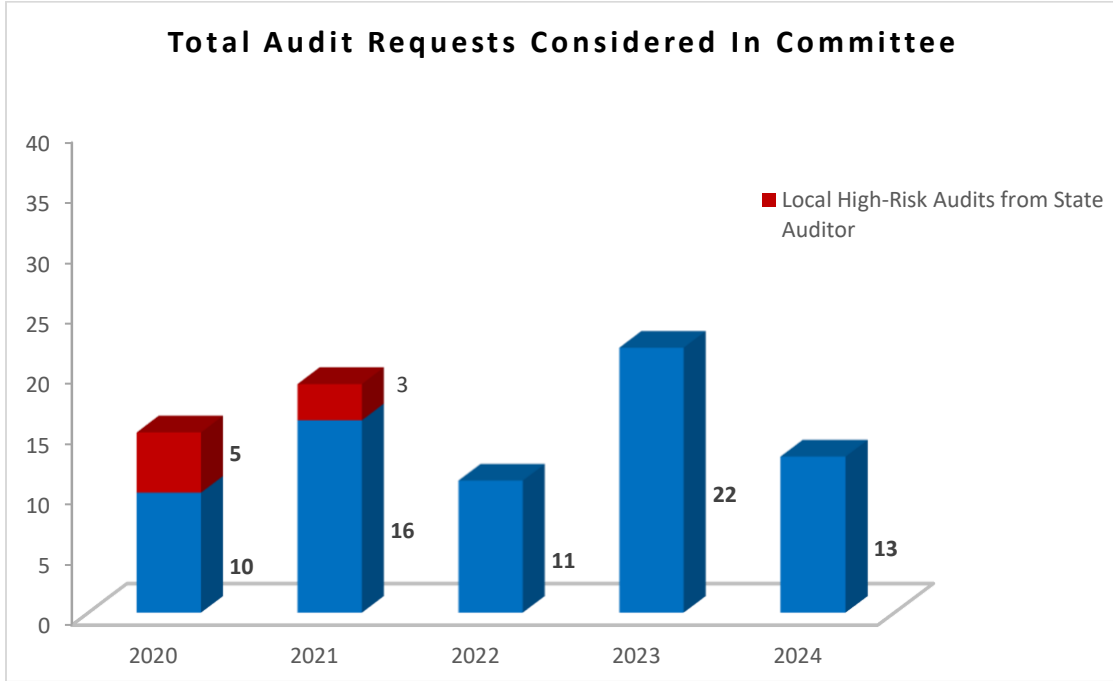
Audit Committee Reports Released by State Auditor

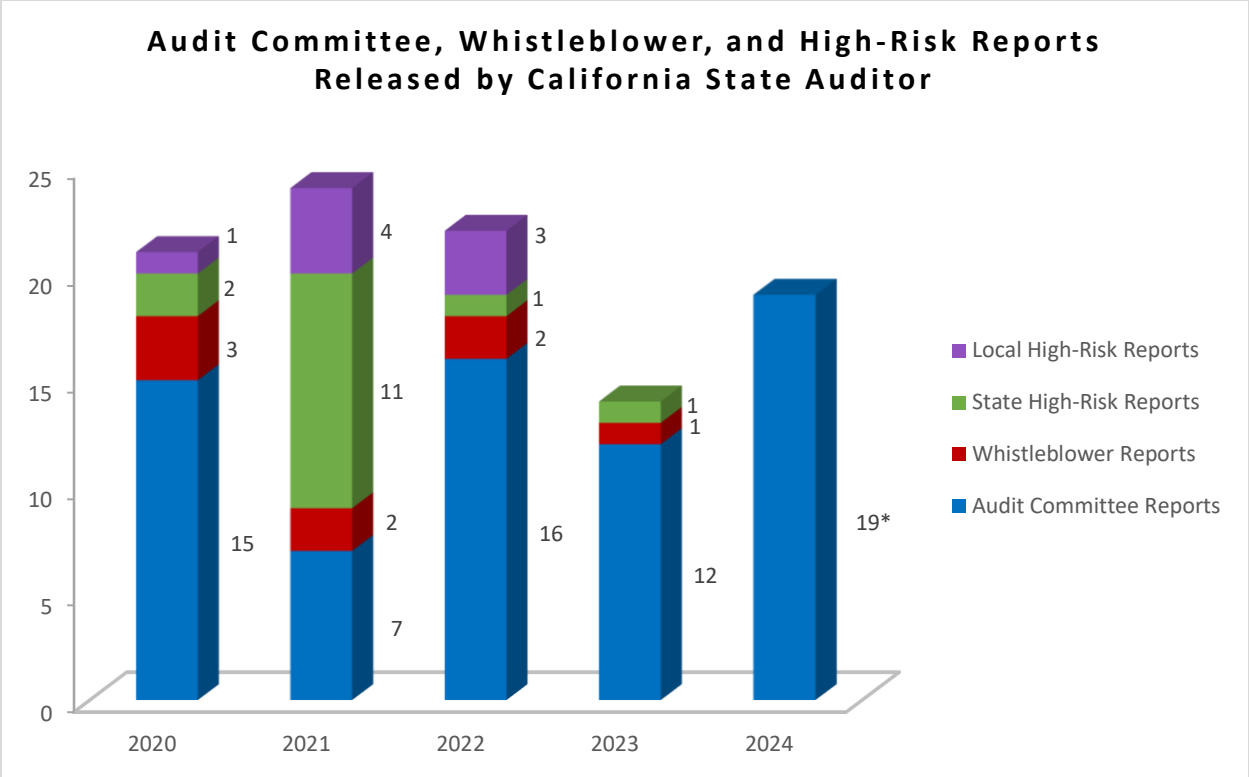
- 2023-101 **Santa Clara Valley Transportation Authority: Improvements Are Necessary to Strengthen Its Project Management and Financial Oversight**
 Requested by Assembly Member Berman
 Published June 2024
- 2023-102.1 **Homelessness in California: The State Must Do More to Assess the Cost-Effectiveness of Its Homelessness Programs**
 Requested by Senator Cortese
 Published April 2024
- 2023-102.2 **Homelessness in California: San José and San Diego Must Do More to Plan and Evaluate Their Efforts to Reduce Homelessness**
 Requested by Senator Cortese
 Published April 2024
- 2023-103 **The Comprehensive Perinatal Services Program: The Lack of Usage Data Prevents the State From Knowing How Often Medi-Cal Members Receive Perinatal Care**
 Requested by Assembly Member Bauer-Kahan
 Published February 2024
- 2023-104 **The California Labor Commissioner’s Office: Inadequate Staffing and Poor Oversight Have Weakened Protections for Workers**
 Requested by Senator Glazer
 Published May 2024
- 2023-105 **Middle Class Tax Refund Payments: The State Could Improve Its Approach to Future Financial Relief Payments by Addressing Weaknesses From This Program**
 Requested by Assembly Member Alvarez
 Published March 2024

- 2023-106 **University of California: It Makes Limited Use of Online Program Management Firms but Should Provide Increased Oversight**
Requested by Assembly Member Alvarez
Published June 2024
- 2023-107 **Proposition 47 in Riverside and San Bernardino Counties: The Number of Individuals With Four or More Convictions Increased, as Did Theft Convictions Among the Same Group**
Requested by Assembly Member Ramos
Published July 2024
- 2023-110 **California Department of Public Health: Process Improvements Could Help Reduce Delays in Completing Fetal Death Registrations**
Requested by Senator Ashby
Published February 2024
- 2023-116 **Local Cannabis Permitting: Cities and Counties Can Improve Their Permitting Practices to Bolster Public Confidence**
Requested by Assembly Member Jones-Sawyer
Published March 2024
- 2023-120 **Drug and Alcohol Treatment Facilities: They Are Sometimes Concentrated in Residential Areas, as Allowed, but State Oversight Is Not Always Timely and Thorough**
Requested by Assembly Member Dixon
Published October 2024
- 2023-122 **California Public Schools—Custodial Staffing and Cleanliness Standards**
Requested by Assembly Member Alvarez
Expected in November or December 2024
- 2023-123 **California’s Systems of Public Higher Education: Streamlining the Community College Transfer Process Could Increase Access to Bachelor’s Degrees**
Requested by Assembly Member Alvarez
Published September 2024
- 2023-124 **Local Streets and Roads Program: State Agencies and Cities Are Generally Following Requirements as They Attempt to Improve Conditions**
Requested by Assembly Member Grayson
Published April 2024
- 2023-128 **Department of Pesticide Regulation: Insufficient Staffing and Inefficient Processes Delay Pesticide Registrations**
Requested by Senator Niello
Published July 2024

- 2023-129 **Tropical Forest-Risk Commodities: The State Could Better Ensure That It Does Not Contribute to Tropical Deforestation**
Requested by Assembly Member Kalra
Published August 2024
- 2023-130 **Conditional Release Program for Sexually Violent Predators: Program Participants Are Less Likely to Reoffend, While the State Has Difficulty Finding Suitable Housing**
Requested by Senator Jones
Published October 2024
- 2023-133 **City of Anaheim: It Has Not Properly Managed Tourism-Related Contracts and Millions of Dollars in Related Funds**
Requested by Assembly Member Valencia
Published January 2024
- 2023-134 **Los Angeles County: It Has Yet to Spend Tens of Millions of Dollars Intended to Provide Services to Realigned Youth**
Requested by Assembly Member Jones-Sawyer
Published August 2024

Joint Legislative Audit Committee Data and Trends





*At the time of this End of Session Report, the State Auditor had published 18 audit reports and anticipated publishing one additional audit by the end of the year.