

Joint Legislative Audit Committee

2017-18 End of Session Report

Assemblymember Al Muratsuchi, Chair
Senator Richard D. Roth, Vice Chair



Assemblymembers

Dante Acosta
Catharine Baker
Adrin Nazarian
Jay Obernolte
Blanca E. Rubio
Jim Wood

Senators

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Jim Beall
Anthony Cannella
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Ricardo Lara
Tony Mendoza

Staff

Debbie Meador, Chief Consultant
Wesley Opp, Principal Consultant
Tram Truong, Senior Consultant

Joint Legislative Audit Committee

2017-18 END OF SESSION REPORT

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JOINT LEGISLATIVE AUDIT COMMITTEE

2017-2018 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 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 for topics for consideration, permits questions to be 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 for 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, which can examine whether state agencies and programs are efficiently and effectively operating as the Legislature intended; accomplishing their goals and objectives; complying with laws, regulations and policies; and using state resources properly. Performance audits are on a variety of topics, which range from broad to very specific in scope. The Audit Committee can also consider financial and financial-related audits of government 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 she 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 2017-18 Legislative Session, the Audit Committee held six regular hearings in which 54 audit requests were considered. The Audit Committee approved 45 audit requests, held two in committee, and seven failed passage. Included in the 45 audit requests approved were two high-risk audits of cities requested by the Auditor's Office. Refer to pages 4 for detailed listings of these hearings and audit requests, and pages 23 for data and trends on audit requests covering the past five years. The Audit Committee also held seven oversight and informational hearings on multiple topics during the 2017-18 Legislative Session. For a detailed listing of these hearings, see pages 11. Additional information about the Committee is available online at: <http://legaudit.assembly.ca.gov/>.

The 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 the Legislature, government officials, and citizens audits of state and local government operational and financial activities. 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 of the audit of 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 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 city, county, special districts or publicly-created entities—as being 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, where state employees and the public can 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 \$33 million for fiscal years 2016-17 and approximately \$34 million for 2017-18. The Auditor's Office staffing averaged about 178 permanent employees in 2017 and an estimated 183 permanent employees in 2018.

In 2017, the Auditor's Office released 24 audits approved by the Audit Committee. In 2018, it released 21 audits approved by the Audit Committee, including two high-risk local government audits initiated by the Auditor's Office. Refer to page 24 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 Web site at: www.auditor.ca.gov.

Joint Legislative Audit Committee

Results of Votes on Audit Requests in 2017

Summary of Results

Audits Considered: 22
Audits Approved: 18
Audits Failed: 4

March 29, 2017 Hearing

- 2017-101 **Concealed-Carry Weapon Permits—Permitting Process and Fees**
 Requested by Assemblymember McCarty
 Approved (8-4)
- 2017-102 **California Community College Districts—Technology Upgrades and Implementation**
 Requested by Senator Pan
 Approved (13-1)
- 2017-103 **Workers’ Compensation System—Anti-Fraud Policies and Practices**
 Requested by Assemblymember Daly
 Approved (13-0)
- 2017-104 **Montebello Unified School District— Finances and Operations**
 Requested by Senator Mendoza et al.
 Approved (14-0)
- 2017-106 **Board of Equalization— Local Transportation Fund**
 Requested by Assemblymembers Daly and Gloria
 Approved (14-0)
- 2017-107 **Santa Clara Registrar of Voters—Elections Process**
 Requested by Assemblymember Low
 Approved (14-0)

June 28, 2017 Hearing

- 2017-109 **California Department of Health Care Services, Office of Statewide Health Planning and Development, and California Department of Public Health—Brius Healthcare**
 Requested by Assemblymember Wood and Senator McGuire
 Approved (12-0)

- 2017-110 **University of California Office of the President—Forensic Audit of Expenditures**
 Requested by Assemblymember Acosta
 Failed (4-5)
- 2017-112 **Los Angeles Homeless Services Authority—Distribution of Funding**
 Requested by Senator Wilk
 Approved (14-0)
- 2013-113 **South Orange County Wastewater Authority—Accountability and Governance Structure**
 Requested by Senator Bates and Assemblymember Brough
 Approved (14-0)
- 2017-114 **Metropolitan Transportation Commission, Bay Area Toll Authority, and California Department of Transportation—Project Costs**
 Requested by Assemblymember Levine
 Failed (7-0)
- 2017-116 **California Department of Education—Community Child Care Council of Santa Clara County**
 Requested by Senator Beall et al.
 Approved, 14-0
- 2017-117 **Mental Health Services Act—Administration and Oversight**
 Requested by Senator Beall et al.
 Approved (14-0)
- 2017-118 **Regional Water Boards—Storm Management and Permitting Processes**
 Requested by Assemblymember Muratsuchi
 Approved (14-0)
- 2017-119 **California State University—Laboratory Safety**
 Requested by Assemblymember Wood et al.
 Approved (11-0)

August 30, 2017 Hearing

- 2017-120 **Department of Forestry and Fire Protection—Fire Fee**
 Requested by Senator Gaines
 Failed (7-6)
- 2017-124 **San Diego County Department of Health and Human Services—Public Health Nursing Staff Levels**

Requested by Senator Hueso
Approved (10-3)

2017-125 **University of California—Sexual Harassment Cases**
Requested by Assemblymember Nazarian
Approved (14-0)

2017-126 **Penalty Assessment Funds**
Requested by Assemblymember Wood
Approved (14-0)

2017-128 **Agricultural Labor Relations Board—Budget and Operations**
Requested by Senator Canella
Failed (7-5)

2017-129 **Department of Rehabilitation—Grant Application Process**
Requested by Senator Mendoza
Approved (13-1)

2017-131 **Statewide Hate Crimes Policies and Practices**
Requested by Assemblymember Chu et al.
Approved (14-0)

Joint Legislative Audit Committee

Results of Votes on Audit Requests in 2018

Summary of Results

Audits Considered: 32
Audits Approved: 27
Audits Retained: 2
Audits Failed: 3

January 30, 2018 Hearing

- 2018-102 **Tulare Local Health Care District**
 Requested by Senator Fuller
 Approved (12-0)
- 2018-104 **Metropolitan Transportation Commission**
 Requested by Assemblymember Levine
 Approved (12-0)
- 2018-105 **Los Angeles Police Department—Crime Reporting Statistics**
 Requested by Assemblymember Lackey
 Failed (5-4)
- 2018-106 **Peace Officer Health and Safety**
 Requested by Assemblymember Rodriguez
 Approved (12-0)
- 2018-107 **California Department of Resources Recycling and Recovery—Oversight of
Mattress Recycling Program**
 Requested by Assemblymember C. Garcia
 Approved (13-0)
- 2018-108 **California High-Speed Rail Authority—Policies and Practices**
 Requested by Senator Beall et al.
 Approved (13-0)

May 16, 2018 Hearing

- 2018-110 **City of Lincoln—Administration of Public Funds**
 Requested by Senator Gaines
 Approved (12-0)

- 2018-111 **Department of Health Care Services—Medi-Cal Children’s Access to Care & Preventative Services**
Requested by Assemblymember Wood and Senator Cannella
Approved (12-0)
- 2018-112 **Department of Veteran Affairs and Department of General Services—Veterans’ Homes Lease**
Requested by Assemblymember Irwin
Approved (11-0)
- 2018-113 **California Department of Corrections and Rehabilitation—In-Prison Rehabilitation Programs**
Requested by Assemblymembers Jones-Sawyer and Calderon
Approved (12-0)
- 2018-114 **Department of General Services and Department of Veteran Affairs—Disabled Veteran Business Enterprise Program**
Requested by Senator Newman
Approved (11-0)
- 2018-115 **Department of Health Care Services—Oversight of the Health Plan of San Joaquin**
Requested by Senator Galgiani
Approved (12-0)
- 2018-116 **City & County of San Diego—Hepatitis A Outbreak Management**
Requested by Assemblymember Gloria
Approved (12-0)
- 2018-117 **City and County Jails—Contracts with U.S. Immigration and Customs Enforcement**
Requested by Senator Lara
Approved (10-2)
- 2018-118 **California Public Utilities Commission—Water Rate-Setting Process**
Requested by Senator Wilk and Assemblymember Lackey
Approved (11-0)
- 2018-802 **High-Risk Local Government Agency Audit Program: City of Montebello**
Requested by California State Auditor
Approved (13-0)
- 2018-803 **High-Risk Local Government Agency Audit Program: City of Lynwood**
Requested by California State Auditor
Approved (11-0)

2018-804 **High-Risk Local Government Agency Audit Program: City of Atwater**
 Requested by California State Auditor
 Retained (11-0)

August 8, 2018 Hearing

2018-119 **Department of Fish and Wildlife—Participation in the California Environmental Quality Act**
 Requested by Assemblymember Gray
 Approved (13-0)

2018-120 **San Francisco Bay Conservation and Development Commission**
 Requested by Assemblymember Mullin et al.
 Approved (13-0)

2018-122 **Department of Health Care Services—Regional Expansion Model**
 Requested by Senator Nielsen
 Approved (13-0)

2018-124 **Gold Coast Health Plan**
 Requested by Senator Stone and Assemblymember Acosta
 Approved (12-0)

2018-125 **Taxpayer Transparency and Fairness Act of 2017**
 Requested by Senator Gaines
 Failed (4-7)

2018-126 **Los Angeles County Department of Children and Family Services**
 Requested by Senator Lara et al.
 Approved (13-0)

2018-127 **California State University—Parking Programs and Accounts Outside the State Treasury**
 Requested by Assemblymember Quirk-Silva
 Approved (13-0)

2018-128 **Department of Corrections and Rehabilitation—Work-Related Injuries**
 Requested by Assemblymember Rubio
 Approved (12-0)

2018-129 **Employment Development Department—Privacy Protection Practices**
 Requested by Assemblymember Baker
 Approved (13-0)

- 2018-130 **Department of Motor Vehicles—REAL ID**
Requested by Assemblymember Chen et al.
Failed (9-0)
- 2018-131 **Alum Rock Union Elementary School District and Board of Trustees**
Requested by Assemblymember Kalra and Senator Beall
Approved (13-0)
- 2018-132 **Gambling Control Commission and Department of Justice—Gambling Control Fund**
Requested by Assemblymember Bonta and Assemblymember Chiu
Approved (12-0)
- 2018-133 **Fallen Leaf Lake Community Services District**
Requested by Senator Gaines and Senator Hill
Approved (13-0)
- 2018-804 **High-Risk Local Government Agency Audit Program: City of Atwater**
Requested by California State Auditor
Retained (12-1)

Joint Legislative Audit Committee Summary of Oversight Hearings in 2017

Joint Oversight Hearing on May 2, 2017

Committees: Joint Legislative Audit Committee, Assembly Budget Subcommittee No. 2 on Education Finance, and Assembly Higher Education Committee.

Topic: *The University of California Office of the President: Budgeting Practices, Transparency, and Executive Compensation.*

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations of an audit report released on April 2017 titled, *The University of California Office of the President: It Failed to Disclose Tens of Millions in Surplus Funds, and Its Budget Practices Are Misleading*, report number 2016-130. The State Auditor, Chair of the University of California Board of Regents, and President of the University of California participated at the hearing.

Joint Oversight Hearing on August 23, 2017

Committees: Joint Legislative Audit Committee, Assembly Budget Subcommittee No. 2 on Education Finance, and Assembly Higher Education Committee

Topic: *California State University: Stronger Oversight Is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets.*

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations of an audit report released April 2017 titled, *California State University: Stronger Oversight Is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets*, report number 2016-122. The State Auditor, Associate Vice Chancellor of Business and Finance for California State University, Associate Vice President of Administration for San Diego State University, and the Associate Vice President of Administration and Finance for Cal Poly San Luis Obispo participated in the hearing.

Joint Legislative Audit Committee Summary of Oversight Hearings in 2018

Joint Oversight Hearing on January 30, 2018

Committees: Joint Legislative Audit Committee, Assembly Budget Subcommittee No. 2 on Education Finance, and Assembly Higher Education Committee

Topic: *The University of California: Board of Regents' Independent Fact-Finding Review*

Summary: The Committees held a joint oversight hearing to discuss the results of a fact-finding review commissioned by the University of California Board of Regents to look into whether the University of California Office of the President interfered with the State Auditor's efforts to survey campuses. The review concluded that the Office of the President intentionally interfered with the survey connected to an audit approved by the Audit Committee. The retired Justice who conducted the review, Chair of the University of California Board of Regents, and President of the University of California Office of the President participated in the hearing.

Joint Oversight Hearing on April 17, 2018

Committees: Joint Legislative Audit Committee, and Senate Select Committee on Mental Health

Topic: *Mental Health Services Act: The State Could Better Ensure the Effective Use of Mental Health Services Act Funding.*

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations of an audit report released in February 2017 titled, *Mental Health Services Act: The State Could Better Ensure the Effective Use of Mental Health Services Act Funding*, report number 2017-117. The State Auditor, Director of the California Department of Health Care Services, and Executive Director of the Mental Health Services Oversight and Accountability Commission participated at the hearing. Representatives from the Los Angeles County Department of Mental Health, Riverside County Department of Mental Health, Sacramento County Board of Supervisors, and Steinberg Institute similarly participated at the hearing.

Oversight Hearing on June 27, 2018

Committees: Joint Legislative Audit Committee.

Topic: *Community Child Care Council of Santa Clara County: Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education.*

Summary: The Audit Committee held an oversight hearing to discuss the findings and recommendations in an audit released in April 2018 titled, *Community Child Care Council of Santa Clara County: Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education*, report number 2017-116. The State Auditor, Interim Executive Director for the Community Child Care Council of Santa Clara County, and Director of the California Department of Education's Early Education Support Division participated at the hearing.

Joint Oversight Hearing on August 7, 2018

Committees: Assembly Select Committee on Hate Crimes, and Joint Legislative Audit Committee.

Topic: Hate Crimes in California

Summary: The Committees held a joint oversight hearing to discuss hate crimes in California and to discuss the findings and recommendations in an audit released in May 2018 titled, *Hate Crimes in California: Law Enforcement Has Not Adequately Identified, Reported, or Responded to Hate Crimes*, report number 2017-131. According to the California Department of Justice, hate crimes are on the rise, around the nation and in California. The State Auditor and a professor from California State University, San Bernardino participated at the hearing. Additionally, representatives from the California Department of Justice, Commission on Peace Officer Standards, Equality California, National Association for the Advancement of Colored People, Council on American-Islamic Relations, The Arc of California, Asian Americans Advancing Justice, Anti-Defamation League, Mexican American Legal Defense and Education Fund, and California National Organization for Women similarly participated at the hearing.

Joint Oversight Hearing on November 29, 2018

Committees: Joint Legislative Audit Committee, and Assembly Transportation Committee.

Topic: *California High-Speed Rail Authority: Its Flawed Decision Making and Poor Contract Management Have Contributed to Billions in Cost Overruns and Delays in the System's Construction.*

Summary: The Committees held a joint oversight hearing to discuss the findings and recommendations in an audit released in November 2018 titled, *California High-Speed Rail Authority: Its Flawed Decision Making and Poor Contract Management Have Contributed to Billions in Cost Overruns and Delays in the System's Construction*, report number 2018-108. The State Auditor, Vice-Chairman of the California High-Speed Rail Authority Board, and Chief Operating Officer of the California High-Speed Rail Authority participated at the hearing.

Joint Legislative Audit Committee

Audit Reports Released by California State Auditor in 2017

Summary

Total Audit Committee Reports Released in 2017 25

Audit Committee Reports Released by State Auditor

- 2016-109 **Uniform Complaint Procedures: The California Department of Education's Inadequate Oversight Has Led to a Lack of Uniformity and Compliance in the Processing of Complaints and Appeals**
Requested by Senator Lara
Published January 2017
- 2016-114 **College Readiness of California's High School Students: The State Can Better Prepare Students for College by Adopting New Strategies and Increasing Oversight**
Requested by Assemblymember Jones-Sawyer
Published February 2017
- 2016-117 **Alliance College-Ready Public Schools: The Nonprofit Did Not Spend Public Funds or Divert Classroom Resources in Response to Unionization Efforts**
Requested by Senator Mendoza
Published April 2017
- 2016-121 **Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Persons Parking Placards**
Requested by Assemblymembers Linder and Gatto
Published April 2017
- 2016-122 **California State University: Stronger Oversight Is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets**
Requested by Assemblymember Weber
Published April 2017
- 2016-124 **Department of General Services and California Department of Technology: Neither Entity Has Provided the Oversight Necessary to Ensure That state**

Agencies Consistently Use the Competitive Bidding Process

Requested by Assemblymember Jones

Published June 2017

2016-125.1 **The University of California Office of the President: It Has Not Adequately Ensured Compliance With Its Employee Displacement and Services Contract Policies**

Requested by Senator Lara

Published August 2017

2016-125.2 **The University of California Office of the President: Increasing Costs and Scheduling Delays Have Hampered the UCPath Project and Originally Anticipated Savings Are Unlikely to Materialize**

Requested by Senator Lara

Published August 2017

2016-126 **California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities**

Requested by Senator Galgiani

Published March 2017

2016-127 **Home-Generated Sharps and Pharmaceutical Waste: By Designating a Lead Agency, the State Could Increase Proper Disposal**

Requested by Assemblymember Ting et al.

Published May 2017

2016-128 **In-Home Supportive Services: The State Could Do More to Help Providers Avoid Future Payment Delays**

Requested by Assemblymember Gonzalez

Published March 2017

2016-129 **K-12 High Speed Network: Improved Budgeting, Greater Transparency, and Increased Oversight Are Needed to Ensure That the Network Is Providing Reliable Services at the Lowest Cost to the State**

Requested by Senator De León

Published May 2017

2016-130 **The University of California Office of the President: It Failed to Disclose Tens of Millions of Surplus Funds, and Its Budget Practices Are Misleading**

Requested by Assemblymembers Ting and McCarty

Published April 2017

2016-131 **California Department of Corrections and Rehabilitation: It Must Increase Its Efforts to Prevent and Respond to Inmate Suicides**

Requested by Senator Leyva

Published August 2017

- 2016-132 **Department of Water Resources: The Unexpected Complexity of the California WaterFix Project Has Resulted in Significant Cost Increases and Delays**
Requested by Assemblymember Eggman et al.
Published October 2017
- 2016-133 **SAFE-BIDCO: At Risk of Insolvency, It Needs Increased Oversight if It Is to Receive State Funding and Continue to Help Small Businesses in California Gain Financing**
Requested by Assemblymember E. Garcia
Published April 2017
- 2016-136 **School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies**
Requested by Assemblymember Rodriguez
Published August 2017
- 2016-139 **California Department of Education: It Has Not Ensured That School Food Authorities Comply With the Federal Buy American Requirement**
Requested by Senator Galgiani
Published July 2017
- 2016-141 **Charter Schools: Some School Districts Improperly Authorized and Inadequately Monitored Out-of-District Charter Schools**
Requested by Senator Liu
Published October 2017
- 2017-101 **Concealed Carry Weapon Licenses: Sheriffs Have Implemented Their Local Programs Inconsistently and Sometimes Inadequately**
Requested by Assemblymember McCarty
Published December 2017
- 2017-102 **California Community Colleges: The Colleges Reviewed Are Not Adequately Monitoring Services for Technology Accessibility, and Districts and Colleges Should Formalize Procedures for Upgrading Technology**
Requested by Senator Pan
Published December 2017
- 2017-103 **Workers' Compensation Insurance: The State Needs to Strengthen Its Efforts to Reduce Fraud**
Requested by Assemblymember Daly
Published December 2017

- 2017-104 **Montebello Unified School District: County Superintendent Intervention Is Necessary to Address Its Weak Financial Management and Governance**
Requested by Senator Mendoza et al.
Published November 2017
- 2017-106 **The Bradley-Burns Tax and Local Transportation Funds: Changing the Allocation Structure for the Bradley-Burns Tax Would Result in a More Equitable Distribution of Local Transportation Funding**
Requested by Assemblymembers Daly and Gloria
Published November 2017
- 2017-107 **Santa Clara County Registrar of Voters: Insufficient Policies and Procedures Have Led to Errors That May Have Reduced Voters' Confidence in the Registrar's Office**
Requested by Assemblymember Low
Published November October 2017

Joint Legislative Audit Committee

Audit Reports Released by California State Auditor in 2018

Summary

Total Audit Committee Reports Released in 2018 21

Audit Committee Reports Released by State Auditor

- 2017-109 **Skilled Nursing Facilities: Absent Effective State Oversight, Substandard Quality of Care Has Continued**
Requested by Assemblymember Wood and Senator McGuire
Published May 2018
- 2017-112 **Homelessness in California: State Government and the Los Angeles Homeless Services Authority Need to Strengthen Their Efforts to Address Homelessness**
Requested by Senator Wilk
Published April 2018
- 2017-113 **South Orange County Wastewater Authority: It Should Continue to Improve Its Accounting of Member Agencies' Funds and Determine Whether Members Are Responsible for Its Unfunded Liabilities**
Requested by Senator Bates and Assemblymember Brough
Published March 2018
- 2017-116 **Community Child Care Council of Santa Clara County: Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education**
Requested by Senator Beall et al.
Published April 2018
- 2017-117 **Mental Health Services Act: The State Could Better Ensure the Effective Use of Mental Health Services Act Funding**
Requested by Senator Beall et al.
Published February 2018
- 2017-118 **State and Regional Water Boards: They Must Do More to Ensure That Local Jurisdictions' Costs to Reduce Storm Water Pollution Are Necessary and Appropriate**

Requested by Assemblymember Muratsuchi
Published March 2018

- 2017-119 **California State University: It Has Not Provided Adequate Oversight of the Safety of Employees and Students Who Work With Hazardous Materials**
Requested by Assemblymember Wood et al.
Published April 2018
- 2017-124 **San Diego County's Health and Human Services Agency: It Cannot Demonstrate That It Employs the Appropriate Number of Public Health Nurses to Efficiently Serve Its Residents**
Requested by Senator Hueso
Published July 2018
- 2017-125 **The University of California: It Must Take Additional Steps to Address Long-Standing Issues With Its Response to Sexual Harassment Complaints**
Requested by Assemblymember Nazarian
Published June 2018
- 2017-126 **Penalty Assessment Funds: California's Traffic Penalties and Fees Provide Inconsistent Funding for State and County Programs and Have a Significant Financial Impact on Drivers**
Requested by Assemblymember Wood
Published April 2018
- 2017-129 **Department of Rehabilitation: Its Inadequate Guidance and Oversight of the Grant Process Led to Inconsistencies and Perceived Bias in Its Evaluations and Awards of Some Grants**
Requested by Mendoza
Published July 2018
- 2017-131 **Hate Crimes in California: Law Enforcement Has Not Adequately Identified, Reported, or Responded to Hate Crimes**
Requested by Assemblymember Chu et al.
Published May 2018
- 2018-102 **Tulare Local Healthcare District: Past Poor Decisions Contributed to the Closure of the Medical Center, and Licensing Issues May Delay Its Reopening**
Requested by Senator Fuller
Published October 2018
- 2018-104 **Toll Bridge Seismic Retrofit Program: The State Could Save Millions of Dollars Annually by Implementing Lessons Learned**
Requested by Assemblymember Levine
Published August 2018

- 2018-106 **Correctional Officer Health and Safety: Some State and County Correctional Facilities Could Better Protect Their Officers From the Health Risks of Certain Inmate Attacks**
 Requested by Assemblymember Rodriguez
 Published September 2018
- 2018-107 **California Department of Resources Recycling and Recovery: It Has Not Provided the Oversight Necessary to Ensure That the Mattress Recycling Program Fulfills Its Purpose**
 Requested by Assemblymember C. Garcia
 Published August 2018
- 2018-108 **California High-Speed Rail Authority: Its Flawed Decision Making and Poor Contract Management Have Contributed to Billions in Cost Overruns and Delays in the System’s Construction**
 Requested by Senator Beall et al.
 Published November 2018
- 2018-116 **San Diego’s Hepatitis A Outbreak: By Acting More Quickly, the County and City of San Diego Might Have Reduced the Spread of the Disease**
 Requested by Assemblymember Gloria
 Published December 2018
- 2018-118 **California Public Utilities Commission: It Could Improve the Transparency of Water Rate Increases by Disclosing Its Review Process and Ensuring That Utilities Notify Customers as Required**
 Requested by Senator Wilk and Assemblymember Lackey
 Published December 2018
- 2018-802 **City of Montebello: Its Structural Deficit and Poor Operational Processes Threaten the City’s Financial Stability and Delivery of Public Services**
 Requested by State Auditor
 Published December 2018
- 2018-803 **City of Lynwood: Poor Management Has Contributed to Its Financial Instability and Led to Its Failure to Comply With State Law**
 Requested by State Auditor
 Published December 2018

Legislation Impacting the California State Auditor 2017-2018 Legislative Sessions

Chaptered in 2017

Assembly Bill 31 (Rodriguez) – Whistleblower: California State Auditor

Creates an independent process for whistleblowers with allegations regarding employees at the Auditor's Office. The bill requires the Auditor's Office to provide all allegations to the Department of Justice (DOJ) without prior review by the Auditor's Office. If DOJ determines that a submission constitutes an allegation of improper governmental activity, it shall transmit the submission to the independent investigator for further action.

Status: Chapter 605, Statutes of 2017.

Assembly Bill 32 (Rodriguez) – California State Auditor

Requires the Audit Committee to conduct a comprehensive search for qualified candidates for nomination to be the California State Auditor.

Status: Chapter 606, Statutes of 2017.

Assembly Bill 97 (Ting) – Budget Act of 2017

A total of \$50 million was to be withheld from the University of California until the Director of Finance certified that the Regents of the University of California provided sufficient evidence that the university demonstrated a good faith effort to implement recommendations made by the State Auditor's Office.

Status: Chapter 14, Statutes of 2017.

Assembly Bill 562 (Muratsuchi) – California State Auditor: Interference

Any person who obstructs the Auditor's Office in the performance of his or her official duties relating to an audit requested by Audit Committee shall be subject to a fine not to exceed \$5,000.

Status: Chaptered 406, Statutes of 2017.

Chaptered in 2018

Senate Bill 1293 (Lara) – State Auditor: High-Risk Local Government Audit Program

Authorizes the California State Auditor to conduct an initial assessment at a local government agency prior to conducting an audit, during which he or she may gather publicly available information that the local government agency is willing to provide, for the purpose of identifying whether or not it is a high-risk local government agency. The California State Auditor is also required, before beginning an initial assessment at a local government agency, to notify the Audit Committee which local government agency will be assessed.

Status: Chapter 515, Statutes of 2018.

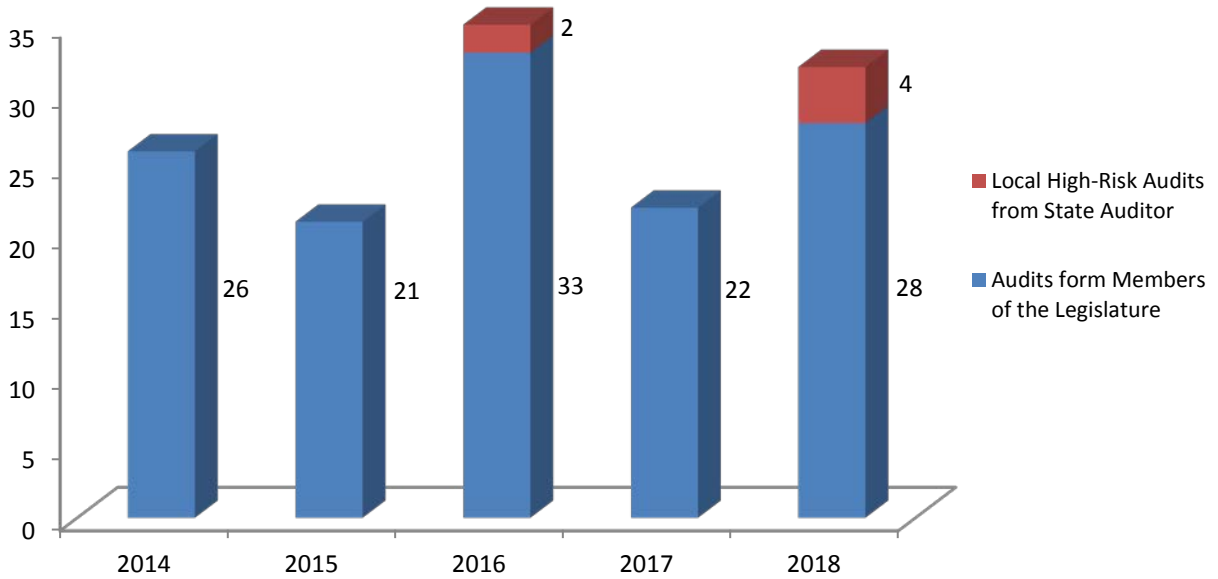
Assembly Bill 2822 (Oberholte) – State Auditor: High-Risk Local Government Audit Program

Authorize the California State Auditor to review publicly available information to identify local governments that are at high risk.

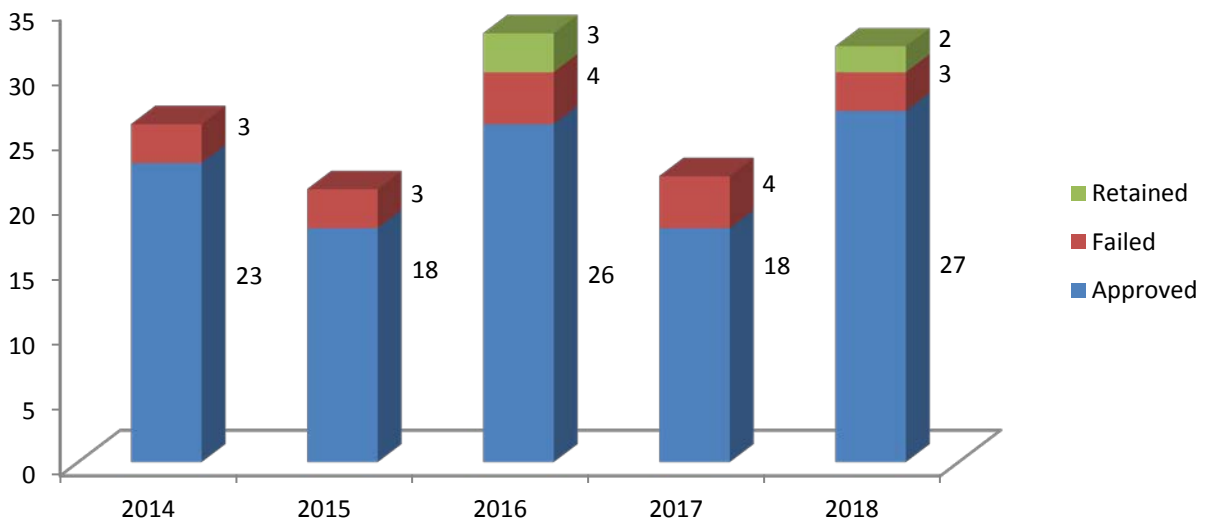
Status: Chapter 498, Statutes of 2018.

Joint Legislative Audit Committee Five-Year Data and Trends

Total Audits Requests Considered in Committee



Committee Action on Audit Requests



Audit Committee, Whistleblower, and High-Risk Reports Released by California State Auditor

