

Joint Legislative Audit Committee

2015-16 End of Session Report

Assemblymember Freddie Rodriguez, Chair
Senator Richard D. Roth, Vice Chair



Assemblymembers

Katcho Achadjian
Joaquin Arambula
Catharine B. Baker
Brian W. Jones
Adrin Nazarian
Jim Wood

Senators

Jim Beall
Anthony Cannella
Jean Fuller
Cathleen Galgiani
Ricardo Lara
Connie M. Leyva

Staff

Debbie Meador, Chief Consultant
Amanda Wells, Associate Consultant

Joint Legislative Audit Committee

2015-2016 END OF SESSION REPORT

Introduction	1
Summary of Regular JLAC Hearings	3
Summary of Oversight and Informational Hearings	8
Audits Released by the State Auditor's Office	11
Chartered Legislation Impacting the State Auditor's Office	17
<u>5-year Data and Trends</u>	
Total Audits Considered and JLAC Action	18
Origin of Audits Considered in Committee	19
Scope of Audits Considered	19
JLAC and Mandated Audits Released by the State Auditor's Office	20

JOINT LEGISLATIVE AUDIT COMMITTEE

2015-2016 Legislative Session

INTRODUCTION

With a goal of improving government performance, the Joint Legislative Audit Committee (JLAC) 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 JLAC reviews and takes action on audit requests, which are submitted to the Committee from any Member of the Legislature and the California State Auditor. The JLAC and the California State Auditor also monitor government operations through oversight hearings.

The JLAC is 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 JLAC as well as all powers conferred upon committees by Article IV, Section 11 of the California Constitution.

The JLAC is a 14-member committee consisting of seven Assembly Members and seven Senators. The Chair of the JLAC is a member of the Assembly and the Vice Chair a member of the Senate. The JLAC 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 of the JLAC, 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 an action.

The JLAC 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 JLAC are forwarded to the Auditor's Office. For these audits, the JLAC sets the priorities for the Auditor's Office.

Audits considered by the JLAC include performance audits, which 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 JLAC also considers financial and financial-related audits of government and publicly created entities.

Additionally, the JLAC considers high-risk local government audit requests initiated by the California State Auditor. The California State Auditor may submit an audit request to be heard by the JLAC if she identifies a local government agency at 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). The 2016 Legislative year is the first time the California State Auditor requested the JLAC approve self-initiated high-risk local government audits.

During the 2015-16 Legislative Session, the JLAC held 9 regular hearings in which 56 audit requests were considered. The JLAC approved 46 audit requests, held 3 in committee, and 7 failed passage. Included in the 46 audit requests approved were 2 high-risk audits of cities requested by the Auditor's Office. Refer to pages 3 to 7 for detailed listings of these hearings and audit requests and pages 18 and 19 for data and trends on audit requests covering the past 5 years. JLAC also held 7 oversight and informational hearings on multiple topics during the 2015-16 Legislative Session. For a detailed listing of these hearings see pages 8 to 10. 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 JLAC, 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 the public can report allegations of improper governmental activities committed by the courts, state agencies, departments, or 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, during fiscal years 2015-16 and 2016-17, its budget averaged about \$32 million. The Auditor's Office staffing averaged about 169 employees in 2015 and 2016.

In 2015, the Auditor's Office released 20 audits approved by the JLAC and 12 mandated audits; in 2016, it released 23 audits approved by the JLAC, 2 high-risk local government audits initiated by the Auditor's Office, and 13 mandated audits. Refer to page 20 for data and trends on the number of audits released by the Auditor's Office during the most recent five years. Reports on audits and investigations as well as a listing of Work In Progress are available on the Auditor's Office Web site at: www.auditor.ca.gov.

Joint Legislative Audit Committee 2015 Hearing Results Summary

March 4, 2015

- 2015-102 **Central Basin Municipal Water District (Assemblymember Rendon)**
Approved, 13-0
- 2015-106 **University of California and California State University—Funding for Public Safety Services (Assemblymember Dodd et al.)** Approved, 12-0
- 2015-107 **University of California—Budget Process, Nonresident Enrollment, and Executive Compensation (Assemblymember Gipson)** Approved, 12-0

April 22, 2015

- 2015-101 **California Superintendent of Public Instruction—Inglewood Unified School District (Senator Hall)** Approved, 12-0
- 2015-108 **Irvine City Council—Audit Subcommittee (Assemblymember Gonzalez)**
Failed, 9-3
- 2015-111 **California High-Speed Rail Authority—Property Appraisals (Senator Vidak)**
Failed, 4-6
- 2015-112 **California School Districts—Mental Health Funds and Services (Senator Beall et al.)** Approved, 11-0

June 17, 2015

- 2015-115 **Dual-Status Youth (Assemblymember Eggman)** Approved, 11-1
- 2015-117 **Department of General Services—Real Estate Services Division (Assemblymember Irwin)** Approved, 12-0
- 2015-120 **California Department of Transportation—Maintenance Program (Assemblymember Gipson)** Approved, 12-0

August 25, 2015

- 2015-116 **Irvine City Council—Audit Subcommittee (Assemblymember Gonzalez)**
Approved, 8-1
- 2015-119 **Board of Equalization—Tobacco Programs (Assemblymember Nazarian)**
Approved, 11-0

- 2015-121 **Department of Veterans Affairs—Enterprise Wide Veterans Homes Information System (Assemblymember Irwin & Assemblymember Nazarian)** Approved, 12-0
- 2015-123 **California Department of Public Health, California Department of Health Care Services, and California Institute for Regenerative Medicine—Oversight and Funding of Planned Parenthood (Assemblymember Melendez)** Failed, 3-7
- 2015-125 **San Joaquin Valley Air Pollution Control District—Budget and Operations (Assemblymember Cooper)** Approved, 12-0
- 2015-127 **California Corporate Tax Expenditures (Senator Lara)** Approved, 10-0
- 2015-129 **King City Police Department—Budget, Finances, and Operations (Assemblymember Alejo)** Approved, 12-0
- 2015-130 **Shared Gang Databases (Assemblymember Weber)** Approved, 12-0
- 2015-131 **Foster Youth—Psychotropic Medications (Senator McGuire)** Approved, 12-0
- 2015-132 **County Pay Practices and Policies—Gender Pay Gap (Assemblymember Campos)** Approved, 10-0
- 2015-134 **City of San Rafael—Residential Building Record Reports (Assemblymember Levine)** Approved, 13-0

Total Audits Considered	21
Audits Approved	18
Audits Failed	3

Joint Legislative Audit Committee 2016 Hearing Results Summary

January 13, 2016

- 2016-102 **High-Speed Rail Authority—Project Cost Estimates (Senator Vidak)** Failed, 3-7
- 2016-103 **Los Angeles Unified School District—Removing Teachers from Classrooms (Senator Mendoza)** Approved, 12-0
- 2016-104 **California Public Utilities Commission—Contracting Practices (Assemblymember Rendon)** Approved, 10-0
- 2016-106 **Los Angeles County Fair Association—Finances and Operations (Assemblymember Rodriguez)** PRESENTATION ONLY
- 2016-107 **California Clean Energy Jobs Act, Proposition 39 (Assemblymember Jones et al.)**
PRESENTATION ONLY
- 2016-108 **Department of Developmental Services—Respite (In-Home) Services (Assemblymember Santiago)** Approved, 11-0
- 2015-803 **City of Maywood—High Risk Local Government Agency Audit (California State Auditor)** Approved, 10-0 #
- 2015-806 **City of Hemet—High Risk Local Government Agency Audit (California State Auditor)** Approved, 10-0 #

January 20, 2016

- 2016-106 **Los Angeles County Fair Association—Finances and Operations (Assemblymember Rodriguez)** Approved, 11-0
- 2016-107 **California Clean Energy Jobs Act, Proposition 39 (Assemblymember Jones et al.)**
Failed, 3-8

March 16, 2016

- 2016-109 **California Department of Education & School Districts—Uniform Complaint Procedures (Senator Lara)** Approved, 9-0

High-Risk Local Government Audits
Requested by the California State Auditor

- 2016-110 **Air Conditioning Trade Association Training Trust Fund—Expenditure of Public Funding (Assemblymember McCarty)** Approved, 9-1
- 2016-111 **City of Irwindale—Governance and Finances (Senator Hernandez)** Approved, 10-0
- 2016-112 **School Districts—Library Services (Senator Mendoza & Assemblymember Kim)** Approved 11-0
- 2016-113 **Alliance College-Ready Public Schools—Expenditures (Senator Mendoza)** Failed, 6-4
- 2016-114 **School Districts—High School “a-g” Courses (Assemblymember Jones-Sawyer)** Approved, 10-0

May 25, 2016

- 2016-117 **Alliance College-Ready Public Schools—Expenditures (Senator Mendoza)** Approved, 8-3
- 2016-118 **Air Resources Board—Administration of the Greenhouse Gas Reduction Fund Expenditures and Outcomes (Assemblymember Gray)** PRESENTATION ONLY
- 2016-121 **Department of Motor Vehicles—Disabled Person Parking Placard Program (Assemblymember Linder & Assemblymember Gatto)** Approved, 12-0
- 2016-122 **California State University—Management Positions, Executive Compensation, and Budget Oversight (Assemblymember Weber)** Approved, 12-0
- 2016-124 **Department of General Services and the California Department of Technology—Noncompetitive Contract Awards (Assemblymember Jones)** Approved, 12-0
- 2016-125 **University of California—Contract Employees and Contracting Practices (Senator Lara)** Approved, 10-0
- 2016-126 **Department of Social Services—Licensing of Community Care Facilities (Senator Galgiani)** Approved, 12-0
- 2016-127 **Household Sharps and Pharmaceutical Disposal (Assemblymember Ting, Assemblymember Gray, & Senator Jackson)** Approved, 12-0
- 2016-128 **In-Home Supportive Services—Time Sheet and Payroll System (Assemblymember Gonzalez)** Approved, 12-0

August 10, 2016

- 2016-129 **K-12 High Speed Network—Operations & Funding (Senator De León)**
Approved, 14-0
- 2016-133 **State Assistance Fund for Enterprise Business and Industrial Development Corporation (Assemblymember Eduardo Garcia)** Approved, 14-0
- 2016-136 **K-12 School Based Violence Prevention and Readiness (Assemblymember Rodriguez)** Approved, 14-0
- 2016-137 **Commission on Judicial Performance—Complaint Policies & Practices (Senator Jackson et al.)** Approved, 14-0
- 2016-139 **California Department of Education—Compliance with Federal Buy American (Senator Galgiani)** Approved, 14-0
- 2016-130 **University of California, Office of the President—Administrative Operations & Budget (Assemblymember Ting & Assemblymember McCarty)** Approved, 12-0
- 2016-131 **California Department of Corrections and Rehabilitation—Suicide Prevention Policies & Practices (Senator Leyva)** Approved, 12-0
- 2016-132 **California Department of Water Resources—California WaterFix Project (Assemblymember Eggman et al.)** Approved, 9-2
- 2016-140 **California Department of Justice—Expenditures of Dealers’ Record of Sale Special Account (Assemblymember Jones)** Failed, 6-5
- 2016-141 **Charter Schools—Oversight and Monitoring (Senator Liu)** Approved, 8-1

Total Audits Considered	35
Audits Approved	26
High-Risk Audits Approved	2
Audits Failed	4
Audits Held	3

Joint Legislative Audit Committee 2015 Summary of Oversight and Informational Hearings

February 11, 2015 – University of California: *Transparency and Accountability: Unequal Per-Student Funding and Nonresident Enrollment*

The Joint Legislative Audit Committee (JLAC) with the Assembly Committee on Higher Education held an oversight hearing to address the declining enrollment of California students at the University of California campuses. The goal of the hearing was to understand if eligible California resident students were being denied access to a higher education at University of California campuses, especially campuses with a higher proportion of underrepresented minority students. In July 2011, the State Auditor’s office released an audit titled, *University of California: Although the University Maintains Extensive Financial Records, It Should Provide Additional Information to Improve Public Understanding of Its Operations*, report number 2010-105. The report identified inequities in the University’s per-student funding and a lack of transparency in its budget process. To address these issues, the University began the implementation of a 6-year Rebenching Initiative that was estimated to be completed in 2018. However, recent increases in nonresident student enrollment appeared to have created a new generation of unequal funding. The State Auditor presented the audit results followed by an overview of the University’s budget processes by the Legislative Analyst’s Office. Representatives from the University of California Student Association and the University Council—American Federation of Teachers testified on the impacts of unequal funding. The Chief Financial Officer of the University of California responded to the audit findings and recommendations. Questions raised at this hearing included (1) to what extent did the University’s rebenching address the unequal per-student funding; (2) did the increase in nonresident students create a new generation of unequal funding, if so, how did the University address it; and, (3) did the increase in nonresident students displace California students on specific campuses? To further examine these and other questions, the chair of the JLAC announced that he was requesting an audit of the University’s enrollment and budgeting practices.

March 11, 2015 – Judicial Branch of California: *Questionable Fiscal and Operational Decisions by the Judicial Council and the Administrative Office of the Courts*

The JLAC with the Assembly Budget Subcommittee 5 on Public Safety held a hearing to discuss the findings and recommendations in an audit released in January 2015 titled, *Judicial Branch of California: Because of Questionable Fiscal and Operational Decisions, the Judicial Council and the Administrative Office of the Courts Have Not Maximized the Funds Available for the Courts*, report number 2014-107. The State Auditor’s report was extremely critical of the oversight and fiscal decisions of the Judicial Council and its staff agency the Administrative Office of the Courts (AOC). The State Auditor reported that the Judicial Council had failed to properly oversee the AOC, which resulted in questionable spending practices that may have been detrimental to the rest of the judicial branch, especially in light of the significant budget cuts to the judicial branch and the courts. The Legislative Analyst’s Office provided an overview of Trial Court funding followed by a presentation by the California State Auditor’s Office. Representatives from the Judicial Council and the AOC responded to the audit findings and recommendations.

March 17, 2015 – California Department of Health Care Services: *Medi-Cal Dental Program, Improving Access to Care*

The JLAC, the Assembly Committee on Health, and the Senate Committee on Health held an oversight committee to discuss the findings and recommendations in audit report released in December 2014 titled, *California Department of Health Care Services: Weaknesses in its Medi-Cal Dental More*

specifically, California's utilization rates were found to be lower than those of many states. Federal data showed that nearly 56 percent of 5.1 million children enrolled in Medi-Cal did not receive dental care through the program. In fact, some counties may not have enough providers to meet the dental needs of child beneficiaries. The State Auditor provided an overview of the audit results followed by testimony from a panel of stakeholders from the California Dental Association; Western Dental; the Children's Partnership; and, the First 5 Association of California. The Director of the Department of Health Care Services and the Chief Deputy Director of Health Care Programs responded to the audit findings and stakeholder testimony.

August 11, 2015 – Compton Community College District

The JLAC held an informational hearing for the community to engage stakeholders in a dialogue about significant events related to the accreditation and control of the Compton Community College District (Compton CCD). The Compton CCD Board of Trustees initially lost its governing authority in 2004 and Compton Community College lost its accreditation in 2005. At the time of the hearing in January 2015, Compton Community College had submitted an application for accreditation, but was under the governance of a Special Trustee and without independent accreditation. The Special Trustee provided background and history on the Compton CCD. The Provost of Compton CCD and the Superintendent of El Camino Community College District provided an overview on the progress towards regaining college accreditation and local governing authority. Additional testimony included student and faculty perspectives, and representatives of the Committee to Save Compton Community College and the City of Compton Oversight Commission. Members of the public were invited to share their concerns and ask questions about the progress.

September 24, 2015 – Sexual Harassment and Sexual Violence on California's College Campuses: Progress Toward Protecting Students at the University of California and California State University

The JLAC, the Assembly Committee on Higher Education, and the Select Committee on Campus Climate held an oversight hearing to discuss the progress by California's public universities to implement programs to prevent, educate, and improve the investigation and adjudication of sexual harassment and sexual assault complaints. The goal of the hearing was to evaluate the degree to which the University of California (UC) and the California State University (CSU) have improved their approaches and to identify whether additional statutory changes were necessary to ensure students are protected.

In response to a series of high profile incidents sweeping across the nation, the federal government and the California State Legislature have made it a priority to ensure that postsecondary institutions understand their responsibilities and have the tools to prevent, respond to, and resolve sexual harassment and assault on college campuses. The California State Auditor conducted two audits on the topic. The first report released in June 2014 titled, *Sexual Harassment and Sexual Violence: California Universities Must Better Protect Students by Doing More to Prevent, Respond to, and Resolve Incidents*, report number 2013-124, concluded that universities do not ensure that all faculty and staff are sufficiently trained on responding to and reporting student incidents of sexual harassment and sexual violence. The second report released in July 2015 titled, *California's Postsecondary Education Institutions: More Guidance Is Needed to Increase Compliance With Federal Crime Reporting Requirements*, report number 2015-032, concluded that none of the six California institutions reviewed were in complete compliance with all federal reporting requirements, such as those mandated by the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act. The committees heard testimony from representatives of the State Auditor's Office; UC Office of the President; CSU; UC Task Force on Preventing and Responding to Sexual Violence and Assault; the California State Student Association; End Rape on Campus; the Center of Advocacy; Resources and Education at UC Davis; the YWCA of Greater Los Angeles; and, the Executive Office of the Attorney General.

Joint Legislative Audit Committee 2016 Summary of Oversight Hearings

March 3, 2016 – *Progress Toward Reforming the Inglewood Unified School District*

The Joint Legislative Audit Committee (JLAC) held an oversight hearing to discuss the findings and recommendations of an audit released in November 2015 titled, *Inglewood Unified School District: The State Superintendent of Public Instruction Needs to Better Communicate His Approach for Reforming the District*, report number 2015-101. The goal of the hearing was to understand the progress that had been made and the plan and timeline for returning the Inglewood Unified School District to the local school board. In 2012, the school district went into state receivership due to fiscal and cash insolvency issues. The State provided the school district a \$55 million emergency loan to correct its structural operating deficit and address issues resulting from deficit spending, bad decision-making, overstating daily attendance, and understating teacher salary expense and retirement payments. At the time of the hearing, over three years after being under the State's control, the school district was on its fourth state appointed administrator. The State Auditor presented the results of the audit. Representatives from the Fiscal Crisis and Management Assistance Team, the State Superintendent of Public Instruction, and the Inglewood Advisory Board of Education and Community Perspective testified on the progress towards reforming the Inglewood Unified School District. Dr. Vincent Matthews, State Administrator of the Inglewood Unified School District provided a response that showed a pathway to reforming the district and regaining local governing authority.

April 6, 2016 – *University of California: Enrollment, Budget and Executive Compensation*

The JLAC held an oversight hearing to discuss the findings and recommendations in an audit released in March 2016 titled, *University of California: Its Admissions and Financial Decisions Have Disadvantaged California Resident Students*, report number 2015-107. This report concluded that over the past several years, the university had undermined its commitment to resident students and failed to put California students first, particularly minorities. Specifically, in response to reduced state funding, the university made substantial efforts to enroll nonresident students who paid significantly more tuition than residents. As a result, there was an 82 percent increase in nonresident enrollment from academic years 2010-11 through 2014-15, or 18,000 students. This increase coincided with a drop in resident enrollment by 1 percent, or 2,200 students, over that same time period. The University expressed strong disagreement with the State Auditor's conclusion that its policies have disadvantaged California students. At the time of the hearing, the University reported that 8,500 more California residents, than the previous school year, were admitted to at least one campus of their choice for the 2016-17 school year. Representatives from the State Auditor's Office presented the results of the audit. The University of California Student Association provided a student perspective. Representatives of the University of California including the Chief Financial Officer and the Associate Vice President of Undergraduate Admissions responded to the audit findings and recommendations.

California State Auditor's Office Audits Released in 2015

1. **Judicial Branch of California:** *Because of Questionable Fiscal and Operational Decisions, the Judicial Council and the Administrative Office of the Courts Have Not Maximized the Funds Available for the Courts;* **2014-107** (January 7, 2015)*
2. **State of California:** *Financial Information System for California (Fi\$Cal) Status Letter;* **2014-039** (January 9, 2015)
3. **California Department of Developmental Services:** *Its Process for Assessing Fees Paid by Parents of Children Living in Residential Facilities Is Woefully Inefficient and Inconsistent;* **2014-118** (January 13, 2015)*
4. **Los Angeles County:** *Coastal Improvement Fund;* **2014-136** (January 27, 2015)*
5. **California Department of Public Health:** *Even With a Recent Increase in Federal Funding, Its Efforts to Prevent Diabetes Are Focused on a Limited Number of Counties;* **2014-113** (January 29, 2015)*
6. **California's Alternative Energy and Efficiency Initiatives:** *Two Programs Are Meeting Some Goals, but Several Improvements Are Needed;* **2014-124** (February 10, 2015)*
7. **California Department of Consumer Affairs' BreEZe System:** *Inadequate Planning and Oversight Led to Implementation at Far Fewer Regulatory Entities at a Significantly Higher Cost;* **2014-116** (February 12, 2015)*
8. **State of California:** *California Medicaid Management Information System (CA-MMIS) Status Letter;* **2014-043** (February 19, 2015)
9. **Los Angeles Department of Water and Power:** *Consequences Linked to Its Premature Launch of Its Customer Information System May Push Total Costs Beyond \$200 Million;* **2014-105;** (March 10, 2015)*
10. **California Department of State Hospitals:** *It Could Increase the Consistency of Its Evaluations of Sex Offenders by Improving Its Assessment Protocol and Training;* **2014-125** (March 12, 2015)*
11. **California Department of Corrections and Rehabilitation:** *It Must Improve Legal Compliance and Administrative Oversight of Its Employment of Retired Annuitants and Use of State-Owned Vehicles;* **2014-117** (March 17, 2015)*
12. **State of California:** *Financial Report Year Ended June 30, 2014;* **2014-001** (March 26, 2015)

* Audit Approved by the Joint Legislative Audit Committee
Reports Available Online at www.auditor.ca.gov

13. **State of California:** *Federal Compliance Audit Report for the Fiscal Year Ended June 30, 2014;* **2014-002** (March 26, 2015)
14. **State of California:** *Internal Control and Compliance Audit Report for the Fiscal Year Ended June 30, 2014;* **2014-001.1** (March 26, 2015)
15. **California Public Utilities Commission:** *It Needs to Improve the Quality of Its Consumer Complaint Data and the Controls Over Its Information Systems;* **2014-120** (April 9, 2015)*
16. **Ross Valley Sanitary District:** *The Board and Management Have Only Recently Begun to Address Significant Weaknesses in the District's Financial and Administrative Functions;* **2014-122** (April 16, 2015)*
17. **San Francisco Bay Area Rapid Transit District:** *Billions Are Needed to Repair and Replace Infrastructure, Yet Availability of Funding Is Uncertain;* **2013-118** (April 28, 2015)*
18. **Apple Valley Area Water Rates:** *Differences in Costs Affect Water Utilities' Rates, and One Utility May Have Spent Millions of Ratepayer Funds Inappropriately;* **2014-132** (April 30, 2015)*
19. **Magnolia Science Academies:** *Although the Financial Condition of These Charter Schools Has Improved, Their Financial Controls Still Need to Be Strengthened;* **2014-135R** (May 7, 2015)*
20. **California State Government Websites:** *Departments Must Improve Website Accessibility So That Persons With Disabilities Have Comparable Access to State Services Online;* **2014-131** (June 2, 2015)*
21. **University of California, Davis:** *It Has Not Identified Future Financing for the Strawberry Breeding Program nor Collected All Available Revenues;* **2014-121** (June 9, 2015)*
22. **California Department of Health Care Services:** *Improved Monitoring of Medi-Cal Managed Care Health Plans Is Necessary to Better Ensure Access to Care;* **2014-134** (June 16, 2015)*
23. **State Bar of California:** *It Has Not Consistently Protected the Public Through Its Attorney Discipline Process and Lacks Accountability;* **2015-030** (June 18, 2015)
24. **State of California:** *Treasurer's Cash Count as of December 31, 2014;* **2015-005** (June 24, 2015)
25. **California's Postsecondary Educational Institutions:** *More Guidance Is Needed to Increase Compliance With Federal Crime Reporting Requirements;* **2015-032** (July 16, 2015)
26. **State of California:** *Statement of Securities Accountability of the State Treasurer's Office December 31, 2014;* **2015-008** (July 23, 2015)

* Audit Approved by the Joint Legislative Audit Committee
Reports Available Online at www.auditor.ca.gov

27. **California Department of Health Care Services:** *It Should Improve Its Administration and Oversight of School -Based Medi-Cal Programs; 2014-130* (August 20, 2015)*
28. **Children's Hospital Program:** *The California Health Facilities Financing Authority Has Generally Complied With Laws and Regulations and Resolved Its Issue Related to High Fund Balances; 2015-042* (September 15, 2015)
29. **Inglewood Unified School District:** *The State Superintendent of Public Instruction Needs to Better Communicate His Approach for Reforming the District; 2015-101* (November 5, 2015)*
30. **Central Basin Municipal Water District:** *Its Board of Directors Has Failed to Provide the Leadership Necessary for It to Effectively Fulfill Its Responsibilities; 2015-102* (December 2, 2015)*
31. **Judicial Branch Procurement:** *Although the Judicial Council Needs to Strengthen Controls Over Its Information Systems, Its Procurement Practices Generally Comply With Applicable Requirements; 2015-302* (December 10, 2015)
32. **State of California:** *Treasurer's Cash Count as of June 30, 2015; 2015-006* (December 17, 2015)

California State Auditor's Office Audits Released in 2016

1. **State of California:** *Financial Information System for California (Fi\$Cal) Status Letter;* **2015-039** (January 7, 2016)
2. **Student Mental Health Services:** *Some Students' Services Were Affected by a New State Law, and the State Needs to Analyze Student Outcomes and Track Service Costs;* **2015-112** (January 19, 2016)*
3. **State of California:** *Report on Pension Amounts, Fiscal Year Ended June 30, 2014;* **2015-001.2** (January 22, 2016)
4. **Dually Involved Youth:** *The State Cannot Determine the Effectiveness of Efforts to Serve Youth Who Are Involved in Both the Child Welfare and Juvenile Justice Systems;* **2015-115** (February 25, 2016)*
5. **State Board of Equalization:** *Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible;* **2015-119** (February 29, 2016)*
6. **The University of California and the California State University:** *Several Campuses Recently Acquired Property, but Those Acquisitions Have Not Significantly Reduced Property Tax Revenue for Local Governments;* **2015-106** (March 3, 2016)*
7. **California Department of General Services' Real Estate Services Division:** *To Better Serve Its Client Agencies, It Needs to Track and Analyze Project Data and Improve Its Management Practices;* **2015-117** (March 15, 2016)*
8. **California Department of Transportation:** *Its Maintenance Division's Allocations and Spending for Field Maintenance Do Not Match Key Indicators of Need;* **2015-120** (March 17, 2016)*
9. **State of California:** *Financial Report Year Ended June 30, 2015;* **2015-001** (March 18, 2016)
10. **State of California:** *Internal Control and Compliance Audit Report for the Fiscal Year Ended June 30, 2015;* **2015-001.1** (March 18, 2016)
11. **State of California:** *Federal Compliance Audit Report for the Fiscal Year Ended June 30, 2015;* **2015-002** (March 18, 2016)
12. **Residential Building Records:** *The Cities of San Rafael, Novato, and Pasadena Need to Strengthen the Implementation of Their Resale Record Programs;* **2015-134** (March 24, 2016)*

* Audit Approved by the Joint Legislative Audit Committee
Reports Available Online at www.auditor.ca.gov

13. **The University of California:** *Its Admissions and Financial Decisions Have Disadvantaged California Resident Students; 2015-107* (March 29, 2016)*
14. **San Joaquin Valley Air Pollution Control District:** *To Cover Its Costs, It Recently Increased Permit Fees and Continues to Use Supplemental Revenue but Can Improve Consistency and Transparency for Certain Program Requirements; 2015-125* (April 5, 2016)*
15. **Corporate Income Tax Expenditures:** *The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness; 2015-127* (April 12, 2016)*
16. **The State Bar of California:** *Its Lack of Transparency Has Undermined Its Communications With Decision Makers and Stakeholders; 2015-047* (May 12, 2016)
17. **County Pay Practices:** *Although the Counties We Visited Have Rules in Place to Ensure Fairness, Data Show That a Gender Wage Gap Still Exists; 2015-132* (May 31, 2016)*
18. **State of California:** *Treasurer's Cash Count as of December 31, 2015; 2016-005* (June 14, 2016)
19. **California Department of Veterans Affairs:** *The State Paid Nearly \$28 Million for a Flawed System That Fails to Meet the Needs of Its Veterans Homes; 2015-121* (June 16, 2016)*
20. **King City Police Department:** *Strengthening Management Practices Would Help Its Efforts to Prevent Officer Misconduct and to Regain the Public's Trust; 2015-129* (July 14, 2016)*
21. **State of California:** *Statement of Securities Accountability of the State Treasurer's Office December 31, 2015; 2016-008* (July 28, 2016)
22. **City of Irvine:** *Poor Governance of the \$1.7 Million Review of the Orange County Great Park Needlessly Compromised the Review's Credibility; 2015-116* (August 9, 2016)*
23. **The CalGang Criminal Intelligence System:** *As the Result of Its Weak Oversight Structure, It Contains Questionable Information That May Violate Individuals' Privacy Rights; 2015-130* (August 11, 2016)*
24. **California's Foster Care System:** *The State and Counties Have Failed to Adequately Oversee the Prescription of Psychotropic Medications to Children in Foster Care; 2015-131* (August 23, 2016)*
25. **California Public Utilities Commission:** *It Should Reform Its Rules to Increase Transparency and Accountability, and Its Contracting Practices Do Not Align With Requirements or Best Practices; 2016-104* (September 22, 2016)*
26. **State of California:** *Report on Pension Amounts for the State Miscellaneous Plan Fiscal Year Ended June 30, 2015; 2016-001.1* (September 23, 2016)

* Audit Approved by the Joint Legislative Audit Committee
 Reports Available Online at www.auditor.ca.gov

27. **Department of Developmental Services:** *It Cannot Verify That Vendor Rates for In-Home Respite Services Are Appropriate and That Regional Centers and Vendors Meet Applicable Requirements; 2016-108* (October 25, 2016)*
28. **Los Angeles Unified School District:** *It Can Do More to Reduce the Impacts of Removing Teachers From Classrooms Because of Alleged Misconduct; 2016-103* (October 27, 2016)*
29. **State of California:** *Report on Pension Amounts for the State Peace Officers and Firefighters Plan Fiscal Year Ended June 30, 2015; 2016-001.4* (October 31, 2016)
30. **Los Angeles County:** *Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue; 2016-106* (November 10, 2016)*
31. **Trade Apprenticeship Programs:** *The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program; 2016-110* (November 15, 2016)*
32. **Judicial Branch Procurement:** *The Five Superior Courts We Reviewed Mostly Adhered to Required and Recommended Practices, but Some Improvements Are Needed; 2016-301* (November 16, 2016)
33. **School Library Services:** *Vague State Laws and a Lack of Monitoring Allow School Districts to Provide a Minimal Level of Library Services; 2016-112* (November 17, 2016)*
34. **State of California:** *Treasurer's Cash Count as of June 30 2016; 2016-006* (November 18, 2016)
35. **City of Irwindale:** *It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents; 2016-111* (November 29, 2016)*
36. **Board of Registered Nursing:** *Significant Delays and Inadequate Oversight of the Complaint Resolution Process Have Allowed Some Nurses Who May Pose a Risk to Patient Safety to Continue Practicing; 2016-046* (December 13, 2016)

High Risk Local Government Audits

37. **City of Hemet:** *Its Ongoing Budget Deficit and Organizational Inefficiency Threaten Its Financial Stability and Delivery of Public Services; 2015-806* (August 4, 2016)*
38. **City of Maywood:** *Its Flawed Governance and Financial Mismanagement Could Compromise the Basic Services It Provides to Residents; 2015-803* (October 3, 2016)*

* Audit Approved by the Joint Legislative Audit Committee
 Reports Available Online at www.auditor.ca.gov

Legislation Impacting the California State Auditor's Office 2015-16 Legislative Session

Chaptered in 2015

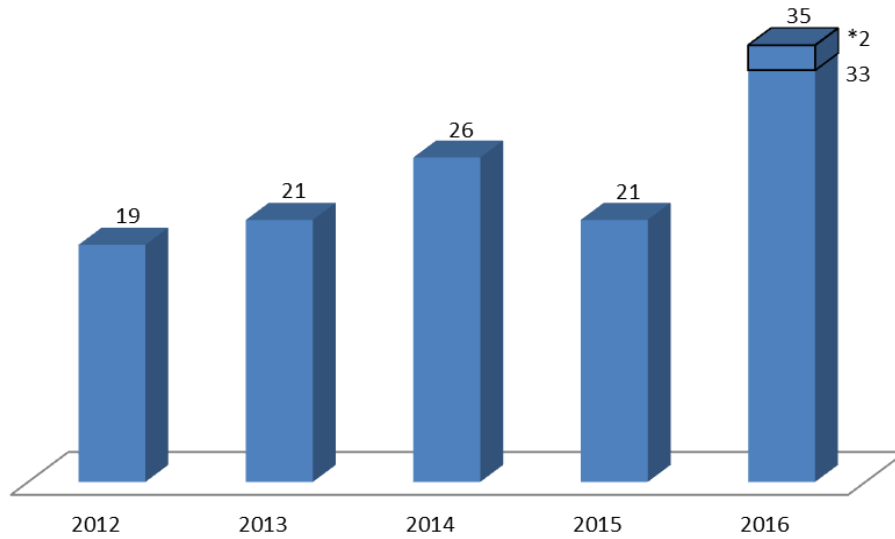
Senate Bill 466 (Chapter 489), Hill: *In part, requires the Board of Registered Nursing (board) to contract with the California State Auditor's Office to examine the board's enforcement program. The audit shall include a review of the quality and consistency of, and compliance with, complaint processing and investigation; the consistency and adequacy of the application of board sanctions or discipline imposed on licensees; and, the adequacy of board staffing, training, and fiscal resources to perform its enforcement functions. Requires the State Auditor to report the results of the audit, with any recommendations, to the Governor, the Department of Consumer Affairs, and the appropriate policy committees of the Legislature by January 1, 2017. Chaptered October 4, 2015.*

Chaptered in 2016

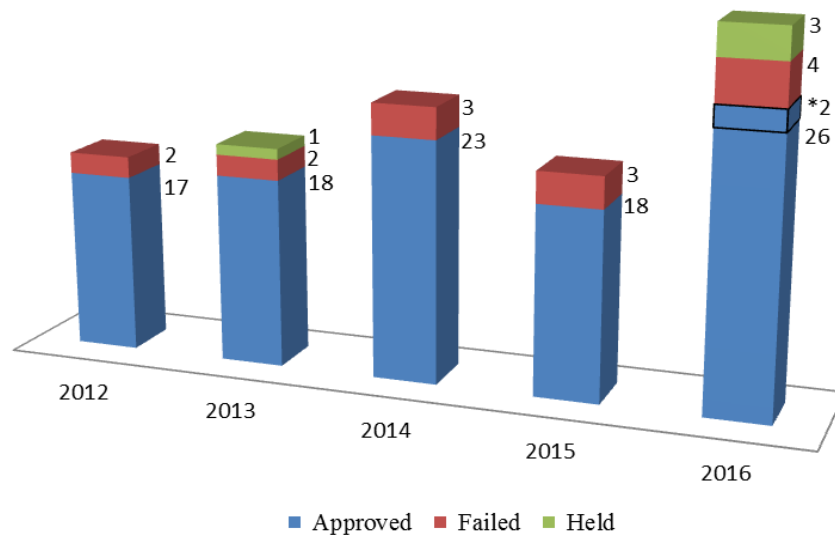
Assembly Bill 1654 (Chapter 222), Santiago: *In part, expands existing audit requirements that require the California State Auditor to audit at least six colleges every three years to evaluate the accuracy of their crime statistics and procedures for complying with the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act. Requires the State Auditor to include an evaluation of institutions' compliance with state law governing crime reporting and the development and implementation of student safety policies and procedures. Chaptered August 29, 2016.*

5-year Data and Trends

Total Audits Considered in Committee

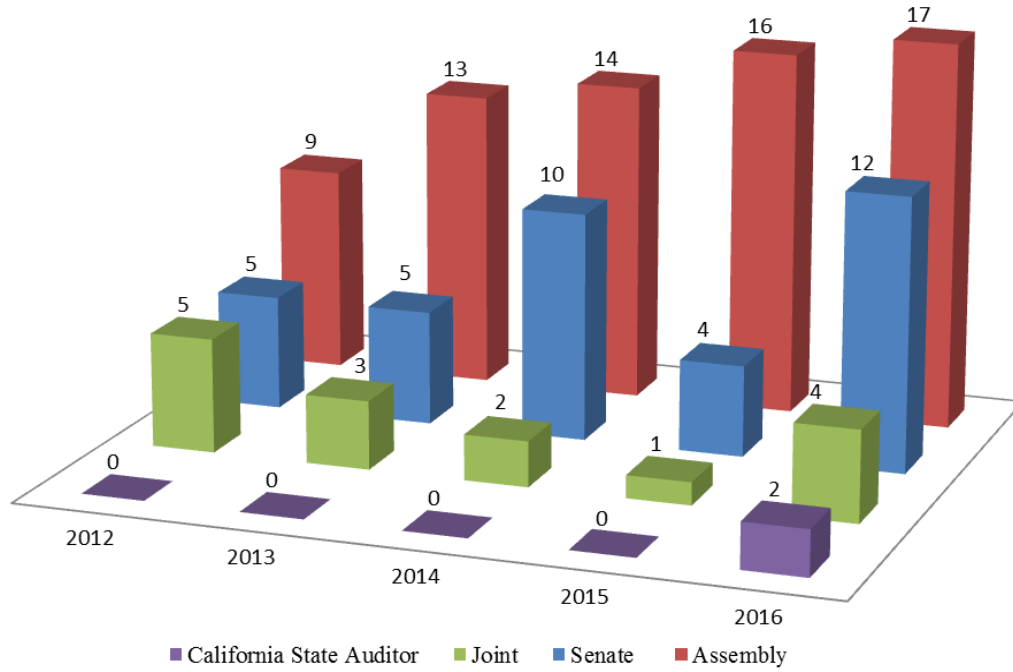


Committee Action on Audits Considered in Committee

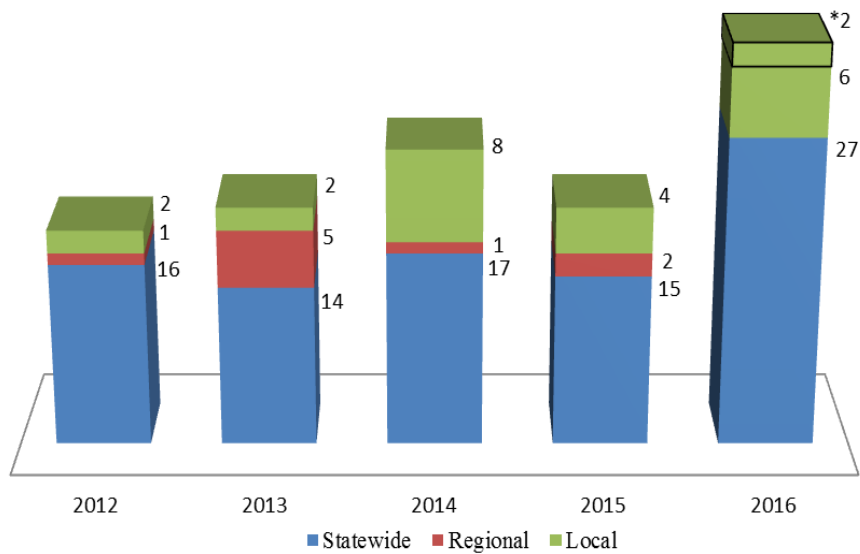


*High-Risk Local Government Audits initiated by the California State Auditor

Origin of Audits Considered in Committee

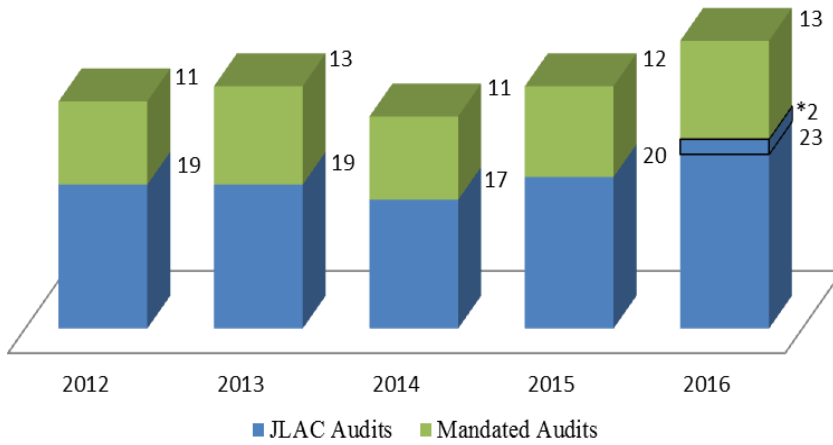


Scope of Audits Considered in Committee

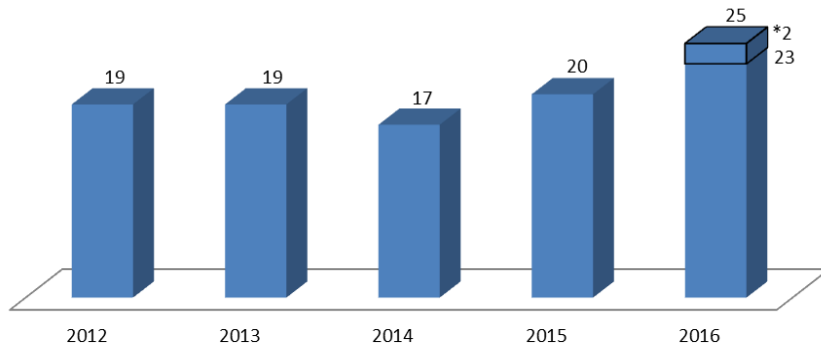


*High-Risk Local Government Audits initiated by the California State Auditor

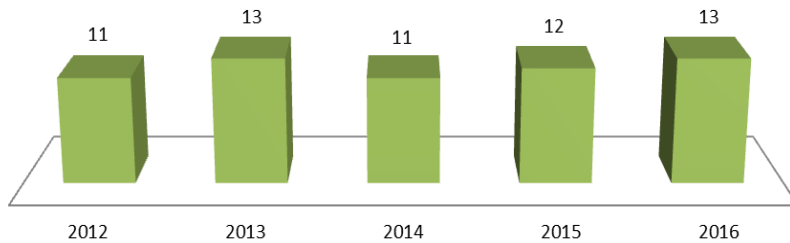
Audits Released by the State Auditor's Office JLAC and Mandated



JLAC Audits Released by the State Auditor's Office



Mandated Audits Released by the State Auditor's Office



*High-Risk Local Government Audits initiated by the California State Auditor