

## American Recovery and Reinvestment Act: California's Approach to Oversight

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## OVERVIEW

- Recovery Act Oversight—the Landscape
- Early Challenges
- Oversight Approach
- Results and Action Taken
- What's on the Horizon



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## California State Auditor's Office

- Is Independent and Nonpartisan
- Improve Government By Assuring Performance, Accountability and Transparency
  - Performance Audits
  - Single Audit: Financial Statements & Federal Compliance
  - Investigations
  - High Risk Program



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## California's Recovery Act Oversight—the Landscape

- Federal Oversight
- State Oversight
  - California State Auditor's Office
  - California Recovery Task Force
  - Inspector General
  - Department of Finance
  - State Controller's Office



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## Early Challenges

- Funding for State/Local Oversight
- Resource Constraints
- Federal Guidance—Timing, Clarity, Consistency
- Legislative Interest
- Public Scrutiny

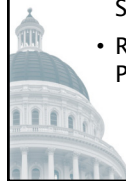


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## Overcoming Challenges

- Communication and Education
- California's Method For Funding State Oversight
- Collaboration with GAO, NASACT, Other States, and Recovery Board
- Relief From Monitoring All Recovery Act Programs



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## California State Auditor's Approach to Oversight

- Prioritize Single Audit Work
- Issue Early Reports for Certain Programs
- Designated System for Administering Recovery Act Funds as High-Risk
- JLAC—Audit of Certain Programs Deemed High-Risk



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## Risk Assessment/Preparedness

- Identify Vulnerabilities
- Test Internal Control Structure
- Scorecard of Agencies' Preparedness
- Prompt Reporting—Interim
- Reader Friendly Reports

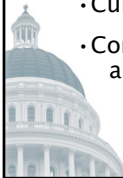


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## State Energy Program

- Commission Moving Slowly to Complete Tasks Needed to Award Funds
- Contracted for Only \$40 Million of \$226 Million Awarded
- Current Control Structure is Weak
- Commission Still Developing Monitoring and Reporting Processes

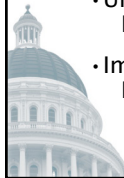


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## Weatherization Program

- Program Stalled Due to Delays by Federal & State Agencies
- Few Service Providers Under Contract with the State
- Unlikely to Attain Performance Milestones
- Improvements Needed for Cash Management



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## Emergency Management Agency Justice Assistance Grant

- Only Recently Began to Award Subgrants
- Significant Disbursement of Funds Would Not Begin Until Late in 2010-11
- No Staffing Plans for Monitoring the Use of the Funds
- Failed to Accurately Report Administrative Costs Charged to Federal Agencies

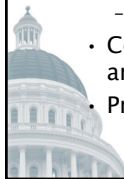


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## Actions Resulting From Our Work

- Collaborating with GAO and IG's
  - Reviewing Findings
- Administration is Taking Action
- Legislature is Listening
  - JLAC Hearings
  - Informational/Budget Hearings
- Congressional Committee on Oversight and Governmental Reform
- Press Coverage

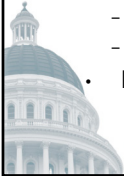


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## Increased Transparency

- New Navigation Link
- Educate Users/Viewers Regarding:
  - Oversight Roles
  - Single Audit Results at a Glance
  - User Can Customize View
  - Listing of Reports and Testimony
- <http://www.auditor.ca.gov/stimulus>



## What's on the Horizon

- Continued Work with GAO and IG's
- Follow-up Reviews
- More Updates to Legislature
  - JLAC Hearings
  - Informational Hearings
- Continued Interim Reporting
- Updates/Revisions to Web site



## Questions and Answers

[www.auditor.ca.gov/stimulus](http://www.auditor.ca.gov/stimulus)

