State Controller’s Office

Financial Audit Report

Clean Energy Job Creation Fund
Audit Results
Objective, Scope, and Background

- **Objective** – Perform financial audits of the Clean Energy Job Creation Fund per interagency agreement between the State Controller’s Office (SCO) and the Citizens Oversight Board

- **Scope** – Fiscal year (FY) 2016-17 and FY 2017-18; second audit of Clean Energy Job Creation Fund

- **Background** – Clean Energy Job Creation Fund established FY 2013-14; first audit covered FY 2013-14 through FY 2015-16
Audit Opinions

• FY 2016-17 – Qualified Opinion
  Inadequate financial records: SCO unable to verify FY 2016-17 Clean Energy Job Creation Fund expenditure amounts reported in the General Fund

• FY 2017-18 – Disclaimer of Opinion
  Incomplete financial records: SCO unable to render an opinion on FY 2017-18 financial statements
Finding 1 –

*Supporting Documents Not Adequately Maintained*

- Agencies affected:
  - California Conservation Corps
  - California Community Colleges Chancellor’s Office

- FI$Cal implementation issues:
  - The Corps and the Chancellor’s Office were unable to perform reconciliations and close FY 2017-18 books:
    - Accounting records were incomplete and based on estimates.
    - Chancellor’s Office FY 2016-17 expenditures were not fully supported.
Audit Findings

• Finding 1 – Recommendation
  Maintain and finalize accounting records in a timely manner; seek assistance to resolve FI$Cal issues.

• Finding 1 – Action
  The Corps and the Chancellor’s Office agreed with the recommendation; both had already sought assistance with FI$Cal implementation.
Finding 2 – Payroll Reporting Deficiencies

• Agency affected: California Conservation Corps

• FI$Cal implementation issues:
  o The Corps was unable to perform payroll reconciliations or fully support payroll-related expenditures.

• SCO audit testing was materially limited.
Audit Findings

• **Finding 2 – Recommendation**
  Maintain payroll summary reports; record payroll expenditures correctly; continue working with technical support to resolve ongoing FI$Cal-related issues.

• **Finding 2 – Action**
  The Corps had already sought outside assistance with FI$Cal implementation issues when the audit was in progress.
Questions