

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



Audit Findings

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.



Audit Findings

Finding 2 – *Payroll Reporting Deficiencies*

- Agency affected: California Conservation Corps
- FI\$Cal implementation issues:
 - 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

