

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2023-2024 Regular Session**

AB 2628 (Hart)  
Version: March 21, 2024  
Hearing Date: June 11, 2024  
Fiscal: Yes  
Urgency: No  
AM

**SUBJECT**

California State Auditor: internet website

**DIGEST**

This bill requires the California State Auditor (Auditor) to maintain a publicly accessible website that displays the status of recommendations the Auditor made in audits and investigations conducted by the Auditor, and requires a state agency to update the website at least annually on recommendations the Auditor determines have not been fully implemented, as specified. The bill also requires the Auditor to identify five judicial branch entities to audit every three years beginning in 2025 instead of every two years.

**EXECUTIVE SUMMARY**

The California State Auditor Office (CSAO) is an independent agency that investigates state agencies and makes recommendations to help government provide efficient and equitable access to services. Existing law requires the Auditor to report to designated joint legislative committees and the Department of Finance concerning its recommendations, including recommendations that have been in place for one year but not yet been fully implemented by the audited state agency. This bill instead requires the Auditor to maintain a publicly available website to display the status of recommendations that the Auditor made in its audit or investigation, and requires state agencies to update the website on recommendations that Auditor has determined are not fully implemented. The bill also requires the Auditor to audit five judicial branch entities every three years instead of every two. The bill is author sponsored. The Committee has received no timely support or opposition. The bill passed the Senate Governmental Organization Committee on a vote of 12 to 0.

**PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Establishes the California State Auditor's Office (CSAO), and states it is the intent of the Legislature that the CSAO has the independence necessary to conduct its audits in conformity with specified federal standards and be free of organizational impairments and from influence of existing state control agencies that could be the subject of audits conducted by the office. (§ 8543 & 8546.)
- 2) Requires the Auditor to annually report to the Joint Legislative Budget Committee, the Joint Legislative Audit Committee, and the Department of Finance with respect to each recommendation the Auditor has made based on an audit or investigation that was reported more than one year prior and that has not been fully implemented by the affected agency. (Gov. Code § 8548.9.)
- 3) Requires a state agency, when it is notified by the State Auditor that it has not implemented a recommendation made by the State Auditor, to do one of the following:
  - a) Provide a written report to the State Auditor, the respective policy committees and budget subcommittees of the Assembly and Senate with oversight of the agency, and the Department of Finance, explaining why the audit recommendation or investigation has not been fully implemented.
  - b) Notify all entities described in a), above, that it will begin implementing the audit recommendation or investigation recommendation within 90 days of the notification by the State Auditor, and include the estimated date of full implementation. (*Id.* at (c).)
- 4) Requires the State Auditor to, among other things, identify five judicial branch entities, excluding the Administrative Office of the Courts, for audit every two years, as specified. (Pub. Contract Code § 19210.)

This bill:

- 1) Requires the State Auditor to maintain a publicly accessible internet website that displays the status of recommendations the State Auditor has made based upon an audit or investigation, as specified.
- 2) Requires a state agency to update the publicly available internet website described in 1) above as to any recommendations the State Auditor has determined that the state agency has not fully implemented. Specifies that the update shall explain why the recommendation has not been fully implemented and include the expected date of full implementation.

- 3) Requires the State Auditor, beginning in the calendar year 2025, to identify five judicial branch entities, excluding the Administrative Office of the Courts, for audit every three years, as specified.

### COMMENTS

#### 1. Stated need for the bill

The author writes:

AB 2628 will ensure transparency regarding the status of how audited agencies are complying with and implementing recommendations made in audit reports by providing the most recent information in an easily publicly accessible website. This bill will also consolidate required audits of various areas of the judicial branch. AB 2628 allows the State Auditor to maximize resources on critical statutorily mandated audits while preserving the integrity of the judicial branch audits.

#### 2. Auditor reports and recommendations

Existing law requires the Auditor to conduct audits and investigations and make recommendations to address issues and deficiencies identified during the audit or investigation.

As the Senate Governmental Organization Committee analysis of this bill notes:

Audits are initiated via: Legislative request; whistleblower complaints, existing statute, as specified; and through the High-Risk program. Legislators concerned about a program or agency can request a performance/policy evaluation through the bipartisan [Joint Legislative Audit Committee] JLAC. If JLAC approves the request, the Auditor's work begins. In that phase of the process, the Auditor gathers the facts and dives into the details. Once all evidence is analyzed, the Auditor issues a public report, after which the Legislature may hold hearings and/or pass legislation to address the weaknesses identified.<sup>1</sup>

Existing law requires the Auditor to annually report to the Joint Legislative Budget Committee, JLAC, and the Department of Finance (DOF) with respect to each recommendation the Auditor has made in an audit or investigation that was reported more than one year prior and that has not been fully implemented by the affected agency. Additionally, state agencies must provide a written report, when notified by the Auditor that the agency has not implemented a recommendation, to the Auditor, any relevant Legislative committees, and the DOF explaining why the recommendation has not been implemented and when it will be implemented.

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<sup>1</sup> Sen. Gov. Organization Comm. analysis of AB 2628 (2023-24 reg. sess.) as amended Mar. 21, 2024 at p. 3.

This bill would instead require the Auditor to maintain a publicly accessible internet website that displays the status of recommendations the State Auditor has made based upon an audit or investigation, including the expected date of full implementation of the recommendations. The Auditor would be required to display the status of recommendations for at least three years from the publication of the audit or investigation. The bill would also require the state agency that was the subject of the audit or investigation to update the website at least annually on the recommendations made by the Auditor that have not been fully implemented, including the expected date of full implementation. Lastly, the bill would require the Auditor to identify five judicial branch entities to audit every three years, instead of every two years as existing law requires, beginning in 2025.

**SUPPORT**

None received

**OPPOSITION**

None received

**RELATED LEGISLATION**

Pending Legislation: None known.

Prior Legislation: None known.

**PRIOR VOTES**

Senate Governmental Organization Committee (Ayes 12, Noes 0)

Assembly Floor (Ayes 73, Noes 0)

Assembly Appropriations Committee (Ayes 14, Noes 0)

Assembly Judiciary Committee (Ayes 12, Noes 0)

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