

2008-102 AUDIT SCOPE AND OBJECTIVES—Cosco Busan Oil Spill

The audit by the Bureau of State Audits will provide independently developed and verified information related to the OSPR and the coordinated response to the *Cosco Busan* oil spill and would include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine which state, local, federal, and private entities are responsible for responding to oil spills in the Bay Area and identify each entity's role. Identify which entities responded to or should have responded to the *Cosco Busan* oil spill.
3. Identify OSPR's oversight of contingency plans and oil spill response organizations during the past five years. Determine whether it has taken appropriate measures to comply with the act. Evaluate whether OSPR's oversight activities have been sufficient to identify and mitigate issues or problems. Determine how OSPR ensures that oil spill response organizations take corrective action when needed.
4. Review and assess the reasonableness of the various contingency plans used for the *Cosco Busan* oil spill including, but not limited to, the San Francisco Oil Spill Contingency Plan, to determine if it establishes a clear chain of command.
5. Determine whether OSPR directed the response and whether it carried out its responsibilities during the *Cosco Busan* oil spill in accordance with contingency plans.
6. Evaluate OSPR's and OES's communication and coordination efforts with local agencies and the public and whether they followed all established protocols. Assess the adequacy of the protocols and efforts, including how and when local governments were notified and used in the response. Determine whether the appropriate agencies received accurate and timely information from the other entities involved, including vessel operators, contractors, and the U.S. Coast Guard.
7. Identify the role of private contractors in the response process and determine, to the extent possible, whether the contractors acted in accordance with the applicable contingency plans.
8. Examine OSPR's Oil Spill Prevention and Administration Fund and trend its sources and uses since 2001. Identify and determine reasons for any significant fluctuations. Determine how OSPR uses its funds and whether such uses are in accordance with laws and regulations. Examine the fund condition and determine

whether any surpluses exist and whether OSPR uses new revenues and surpluses to meet its statutory responsibilities.

9. Examine OSPR's internal organization policies with regard to transferring employees and determine the effect of these policies on OSPR's ability to respond to spills. Determine if and how many employees were transferred to other areas within Fish and Game and if such movement was allowable. Identify employees transferred and determine the activities the employees conduct and whether those employees correctly charged their time to the proper funds.