

2012-110 AUDIT SCOPE AND OBJECTIVES—Special Interest License Plate Funds

The audit by the California State Auditor will provide independently developed and verified information related to special interest license plate revenues and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Review and evaluate the roles and responsibilities of the Department of Motor Vehicles (DMV) related to special interest license plates to determine whether they comply with applicable laws, rules, and regulations. Further, determine whether the DMV has controls sufficient to ensure the accurate accounting of revenues received from special interest license plates.
3. For the California Memorial License Plate funds and a selection of up to three additional special interest license plates funds, perform the following for the last three-year period:
 - a. Determine the amount of revenue collected from the sale of special interest license plates for each respective fund, and the amount expended or transferred from each fund at the state level. Further, identify the statutory purposes for which the moneys in the funds are to be spent.
 - b. Identify any state entity with a role and/or statutory responsibility for receiving, administering, spending, allocating, and/or transferring revenues derived from the special interest license plates.
 - c. Determine whether the state entities identified in 3b are complying with applicable laws, rules, and regulations when carrying out their statutory responsibilities related to these funds.
 - d. For a selection of expenditures and transfers at the state level, review and evaluate the purpose for which the revenues were expended or transferred to determine whether they were allowable and reasonable. This should include an assessment of the amount expended on administrative activities.
 - e. Review and assess the extent to which an administering state entity provides oversight to any local entities for which the administering state entity allocated revenues. Determine whether the administering state entity is monitoring the local entities receiving the funds to ensure compliance with applicable laws, rules, and regulations.
 - f. Determine the disposition of any loans made from the funds, including when those loans occurred, the amount of the loans, whether the loans impaired any fund's purpose, whether the loans have been repaid, or if any plans for repayment exist, and whether the loans were or will be repaid with interest.

- g. Determine whether there are any unexpended monies in the funds and why they have not been appropriated or expended for their intended purpose.
- 4. Review and assess any other issues that are significant to the use of special license plate funds by the State.