

2016-110 AUDIT SCOPE AND OBJECTIVES

Air Conditioning Trade Association Training Trust Fund

The audit by the California State Auditor will provide independently developed and verified information related to the state funds the Department of Industrial Relations (Industrial Relations) provided to the Air Conditioning Trade Association (Association) from the Air Conditioning Trade Association Training Trust Fund (Training Trust Fund), 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. Assess the policies and procedures in place at Industrial Relations to ensure that the Association's Sheet Metal Worker Program (apprenticeship program) is meeting the requirements of the Industrial Relations' Division of Apprenticeship Standards to train apprentices.
3. Identify the policies and procedures in place at Industrial Relations to ensure that the Association spends public funds appropriately.
4. For fiscal years 2010–11 through 2014–15, determine the amounts and sources of public funds provided through Industrial Relations and/or other state agencies for the Training Trust Fund. Further, determine whether expenditures of these funds were allowable and reasonable.
5. For fiscal years 2010–11 through 2014–15, determine the amounts of funds allocated to the Central Unified School District in Fresno by the Chancellor of the California Community Colleges to offset the Training Trust Fund's operating expenses.
6. Determine whether the Association diverted any public funds allocated to the Training Trust Fund to other funds or programs. If funds were diverted, determine the reasons for the diversion of funds, and whether the diverted funds were repaid or a repayment plan has been established. Further, determine what action Industrial Relations has taken in such instances.
7. To the extent that funds were diverted from the Training Trust Fund during fiscal years 2010–11 through 2014–15, assess the impact this may have had on the apprenticeship program and its graduation rates.
8. Identify the graduation rates for the Association's apprenticeship program for fiscal years 2010–11 through 2014–15, as well as any trends in the graduation rates and the reason for such trends.
9. Review and assess any other issues that are significant to the audit.