The audit by the California State Auditor will provide independently developed and verified information related to the California Department of Resources Recycling and Recovery’s (CalRecycle) oversight of the mattress recycling program (recycling program) and, to the extent possible, the administration of the recycling program by the Mattress Recycling Council (council). The audit’s scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.

2. Assess CalRecycle’s oversight of the recycling program, including, to the extent possible, whether the council is complying with relevant laws, rules, and regulations significant to its administration of the recycling program, including its funding, plan for collection and recycling, and reporting.

3. Review financial information for the recycling program since its inception, including annual budgets, revenues, expenditures, and fund balances and, to the extent possible, determine the following:
   a) The program’s major expenditure categories.
   b) Whether the program’s financial resources are sufficient for the council to achieve California’s mattress recycling goals and carry out the recycling plan.
   c) Whether the program’s fund balance has been unreasonable and, if so, how the council plans to address this situation.

4. Determine the sufficiency of the council’s expenditures for achieving the recycling program’s goals and objectives, including, but not limited to, those relating to public education, investments in new technology, mattress processing, and mattress transportation.

5. Determine whether the council’s contracts are sufficient to meet the goals of the program and do not undermine existing mattress recycling, resale, refurbishing, and reuse operations.

6. Review and assess any other issues that are significant to the audit.