

2023-046 Tobacco Tax Act Audit Scope and Objectives

This audit is mandated by Revenue and Taxation Code section 30130.56, which requires the State Auditor to audit state and local agencies receiving funds pursuant to the California Healthcare, Research and Prevention Tobacco Tax Act of 2016—enacted by the passage of Proposition 56. The State Auditor has developed the following objectives to guide the performance of this audit. Consistent with generally accepted government auditing standards, the State Auditor may refine or adjust these objectives as work is performed if he determines such changes are necessary.

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Identify the amount of Proposition 56 funds collected and distributed to each state entity for fiscal years 2021-22 and 2022-23.
3. Determine whether each state entity that receives tobacco tax funds used the appropriate amount of administrative funds as specified in state law during fiscal years 2021-22 and 2022-23.
4. Determine whether each entity published on its website the appropriate amount of tax revenue it received and how it spent the money in fiscal years 2021-22 and 2022-23 and whether each state agency or department posted on its social media accounts that those annual accountings were available.
5. For its Proposition 56 funded programs, review and assess how the California Department of Public Health ensures that it uses the funds for appropriate purposes, including any oversight of the funds.