

## **2024-048 Local Jurisdiction Assistance Grant Program Audit Scope and Objectives**

This audit is mandated by Senate Bill 129 (Stats. 2021, ch. 69), section 53, provision 11, which amended Item 1115-101-0001 of section 2.0 of the Budget Act of 2021, which requires the State Auditor commencing January 1, 2023, and annually until January 1, 2026 to conduct a performance audit of the local jurisdictions receiving funds pursuant to the Local Jurisdiction Assistance Grant Program (Grant Program), which is administered by the Department of Cannabis Control (DCC). 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 objectives.
2. Assess local jurisdictions' compliance with the Grant Program requirements by determining the following:
  - a. The amount and percent of grant funds used through June 30, 2024 for each of the 17 grant recipients.
  - b. Whether local jurisdictions spent Grant Program funds in compliance with all grant requirements, including any amendments DCC made to the grant terms.
3. Assess local jurisdictions' progress toward the goals of the Grant Program by determining the following:
  - a. For each of the 17 grant recipients determine the number of active provisional state licenses and the number of active annual state licenses as of January 1, 2023, and 2024.
  - b. For a selection of six local jurisdictions determine what barriers exist for businesses transitioning to an annual license and whether jurisdictions are using grant funds to reduce those barriers.
4. Conduct a focused review of specific issues to determine how DCC's management of the grant is affecting the local jurisdictions' use of grant funds.