
The Reporter summarizes below the activities of those entities within State government which regularly review, monitor, investigate, intervene or oversee the regulatory boards, commissions and departments of California.

OFFICE OF ADMINISTRATIVE LAW
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The Office of Administrative Law (OAL) was established on July 1, 1980, during major and unprecedented amendments to the Administrative Procedure Act (AB 1111, McCarthy, Chapter 567, Statutes of 1979). OAL is charged with the orderly and systematic review of all existing and proposed regulations against six statutory standards—necessity, authority, consistency, clarity, reference and nonduplication. OAL has the authority to disapprove or repeal any regulation that, in its determination, does not meet all six standards. OAL also has the authority to review all emergency regulations and disapprove those which are not necessary for the immediate preservation of the public peace, health and safety or general welfare. The goal of OAL’s review is to “reduce the number of administrative regulations and to improve the quality of those regulations which are adopted....”

MAJOR PROJECTS:
Opinions. To date, OAL has issued eight regulatory determination opinions pursuant to Government Code section 11347.5. With the exceptions of Determinations 7 and 8, the challenged rule has been determined to be (1) subject to the requirements of the Administrative Procedure Act (APA); and (2) a “regulation” and therefore invalid and unenforceable unless adopted as a regulation and filed with the Secretary of State.

- September 24, 1986, OAL Determination No. 7, Docket No. 86-003. Howard Sallee requested a ruling regarding the State Personnel Board’s October 27, 1981 memorandum concerning the use of “out of class” experience in civil service examinations and the Department of Food and Agriculture’s use of the memorandum. In Determination No. 7, OAL concluded that the challenged ruling was not a “regulation” and therefore not subject to the requirements of the APA.

- November 15, 1986, OAL Determination No. 8, Docket No. 86-004. Swimming Pool Chemical Manufacturers Association requested a ruling regarding the Department of Food and Agriculture’s “Notice to Pesticide Registrants Pertaining to the Birth Defect Prevention Act of 1984; California Notice 86-1.” OAL concluded that the challenged notice was not a “regulation,” and therefore not subject to the requirements of the APA. Nine particular provisions of the challenged notice, however, which interpret, implement or make specific the Birth Defect Prevention Act of 1984 or other applicable laws were found to be (1) subject to the requirements of the APA; and (2) “regulations” and therefore invalid and unenforceable unless adopted as regulations and filed with the Secretary of State.

OFFICE OF THE AUDITOR GENERAL
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The Office of the Auditor General (OAG) is the nonpartisan auditing and investigating arm of the California legislature. OAG is under the direction of the Joint Legislative Audit Committee (JLAC), which is comprised of fourteen members, seven each from the Assembly and Senate. JLAC has the authority to “determine the policies of the Auditor General, ascertain facts, review reports and take action thereon...and make recommendations to the Legislature...concerning the state audit...revenues and expenditures....” (Government Code section 10501.) OAG may “only conduct audits and investigations approved by” JLAC.

Government Code section 10527 authorizes OAG “to examine any and all books, accounts, reports, vouchers, correspondence files, and other records, bank accounts, and money or other property of any agency of the state...and any public entity, including any city, county, and special district which receives state funds...and the records and property of any public or private entity or person subject to review or regulation by the agency or public entity being audited or investigated to the same extent that employees of that agency or public entity have access.”

OAG has three divisions: the Financial Audit Division, which performs the traditional CPA fiscal audit; the Investigative Audit Division, which investigates allegations of fraud, waste and abuse in state government received under the Reporting of Improper Governmental Activities Act (Government Code sections 10540 et seq.); and the Performance Audit Division, which reviews programs funded by the state to determine if they are efficient and cost effective.

RECENT AUDITS:
Report No. P-611 (October 1986) details an evaluation of California’s plans, policies, and procedures for developing and managing its information and telecommunications systems. Included among the audit findings are the following:

- The lack of statewide information system strategic planning may lead to less long-term efficient utilization of state resources.
- The state’s procurement practices are not sufficiently flexible for the changing needs of a large applications software development project. As a result, a potential exists for exceeding budget limitations and for marginal satisfaction of user requirements.
- The experience levels and number of staff at the state’s Office of Information Technology are inadequate to effectively perform duties required by law and sound management practices.

Report No. P-627 (November 1986) summarizes a review of high school graduation requirements for special education students in nine districts. The audit determined that the districts have complied with the Education Code in adopting and applying proficiency standards for special education students.

Report No. P-430 (December 1986) concludes that the Employment Development Department (EDD) must improve its disability insurance programs. Auditors discovered that in fiscal year 1985-86, EDD was slow to pay benefits and to collect disability overpayments.