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MEMORANDUM
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Date: June 30, 2025

To: Jody Holzworth, Deputy Executive Director
External Affairs

From: Julie Munekawa, Chief Internal Auditor *Julie Munekawa*
Office of Internal Audit Services

Subject: Review of International Institute of Los Angeles – Final Report (IA2024-08)

We have completed the Review of International Institute of Los Angeles (IILA) for the period of May 15, 2024, through May 16, 2025. The objective of our audit was to evaluate IILA's compliance with specific terms of the agreement for the TEAM and CHANGES Programs.

We appreciate the assistance of the External Affairs Division's management and staff during our audit. If you have any questions regarding this report, please contact me at (916) 894-5769.

Attachment

CC: Alice Reynolds, President
Matthew Baker, Commissioner
Karen Douglas, Commissioner
Darcie L. Houck, Commissioner
John Reynolds, Commissioner
Kerry Fleisher, Chief Policy Advisor
Justin Ong, Chief of Staff
Kourtney Vaccaro, Chief of Staff
Victor Smith, Acting Chief of Staff
Suzanne Thompson, Chief of Staff
Rachel Peterson, Executive Director
Christine Hammond, General Counsel, Legal Division
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Terrie Prosper, Director, External Affairs
You-Young "Clover" Sellden, Program Manager, External Affairs Division
Lisa Bass, Program & Project Supervisor, External Affairs Division
Angie Williams, Director, Utility Audits, Risk and Compliance Division
Randy Enriquez, Program and Project Supervisor, Risk and Compliance Branch
Huyen Le, Supervising Management Auditor, Office of Internal Audit Services
Shaena Singh, Senior Management Auditor, Office of Internal Audit Services

Review of International Institute of Los Angeles

INTERNAL AUDIT REPORT

Office of Internal Audit Services

Job No. IA2024-08 | June 2025



**California Public
Utilities Commission**

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Rating Definitions

The Office of Internal Audit Services assigns ratings to each finding: Priority, High, Medium, or Low. The level of the rating assigned to each finding is based on the effect the finding could have on financial, reputational, compliance, or operational risks to the organization.

Rating	Definition
Priority	Immediate and on-going threats to the achievement of the division or CPUC strategic goals and objectives. Management must implement corrective actions as soon as possible and monitor the effectiveness.
High	High probability of adverse effects to the division or CPUC as a whole. Management must put in place corrective actions within a reasonable timeframe and monitor the effectiveness of the corrective actions.
Medium	Medium probability of adverse effects to the division or CPUC as a whole. Management must put in place corrective actions within a reasonable timeframe and monitor the effectiveness of the corrective actions.
Low	Low probability of adverse effects to the division or CPUC as a whole but represent an opportunity for improving the efficiency of existing processes. Correcting this will improve the efficiency and/or effectiveness of the internal control system and further reduce the likelihood that risks may occur.

Executive Summary

Objective:

The objective of this audit was to evaluate the compliance with specific terms of the agreement for the TEAM and CHANGES Programs.

Scope:

May 15, 2024 – May 16, 2025

Findings:

Rating	Finding	IILA's Response
Medium	1. Oversight and Documentation Requirements	Does not concur *
Medium	2. Outreach Activities Invoicing	Does not concur *

Positive Observations:

- The case assistance records were complete and aligned with agreement requirements.
- The service materials reviewed met the agreement's foreign language provisions.
- The invoices contained all required elements and matched the approved cost worksheet format.
- IILA conducted required CBO spot checks based on the field visit summaries reviewed.

*See Appendix A for the International Institute of Los Angeles' (IILA) full audit response and Appendix B for the Office of Internal Audit Services' comments to IILA's response.

This report is intended for the information and use of the Commission and is not intended for use by anyone other than the specified parties. However, this limitation is not intended to restrict the distribution of this report as a matter of public record.

Background

In June 2008, following Decision D.07-07-043, the California Public Utilities Commission (CPUC) established the Telecommunications Education and Assistance in Multiple-languages (TEAM) Program to support limited English proficient (LEP) clients statewide in managing their telecommunications services. In 2011, the CPUC launched a pilot program, Community Help and Awareness of Natural Gas and Electricity Services (CHANGES), modeled after the TEAM Program, to help LEP clients manage their natural gas and electricity services. The CHANGES Program was later formalized as an ongoing statewide program through Decision 15-12-047, effective January 2016.

The TEAM and CHANGES Program delivery is contracted to the International Institute of Los Angeles (IILA), a California non-profit organization based in Los Angeles, supported by a statewide collaborative of multilingual community-based organizations (CBOs). CBOs are culturally trained to advocate for minority LEP communities through the program's three service components: individual case assistance, education, and outreach. Most individual case assistance cases arise from client disputes or support being needed in areas such as applying for bill reduction programs. CBOs also hold education classes on their premises or at nearby facilities. Outreach is mainly conducted via promotions at community events or through media outlets.

The External Affairs Division (EAD), within the CPUC, oversees the TEAM and CHANGES Programs and the agreement with IILA. The agreement term is from May 15, 2024, through June 30, 2026, with a maximum amount of approximately \$6.6 million, and an option for a one-year extension for the TEAM Program and a six-month extension for the CHANGES Program.

Objective and Scope

The objective of this audit was to assess IILA's compliance with the specific terms of the agreement for the TEAM and CHANGES Programs. Specifically, we focused on IILA's adherence with the requirements for outreach, education, and case assistance (needs assistance and dispute resolution) services.

This review covered the period from May 15, 2024, through May 16, 2025.

Methodology

To assess IILA's compliance with specific terms of the agreement, we:

- Reviewed the agreement between CPUC and IILA to identify contractual requirements.
- Reviewed the TEAM and CHANGES website.
- Performed walkthroughs and interviews with IILA management and staff to gain an understanding the outreach, education, case assistance and dispute resolution services and deliverables such as reports and invoices.
- Reviewed a sample of outreach, education, case assistance, and dispute resolution services to determine compliance with the agreement terms and alignment with the invoiced amounts.
- Conducted site visit of Madera Coalition outreach event in May 2025 to gain an understanding of the CBO's responsibilities and observed the services provided to assess whether they are in accordance with agreement requirements.

Finding 1: Oversight and Documentation Requirements

Rating: Medium

Condition:

IIIA did not meet certain oversight and documentation requirements, as specified in the agreement. Specifically, we reviewed 50 service records for three program components - 10 outreach activities, 15 education services, and 25 case assistance services and noted the following:

- **Outreach activities:** IIIA did not maintain or share a centralized monthly events calendar covering a 12-month horizon, as required by the agreement, to provide CPUC with visibility into planned outreach activities. IIIA stated that maintaining such a calendar is impractical due to the unpredictable nature of outreach opportunities and budget constraints.
- **Education services:** IIIA did not include participant surveys in 11 out of 15 education sessions, or 73 percent, as required by the agreement, to evaluate effectiveness. In addition, within the 11 noted above, one in-person session used a typed sign-in sheet rather than participant-completed signatures, which reduces the reliability of attendance verification. IIIA indicated that they had discussions with CPUC regarding conducting surveys (pre- and post-tests) for 10 percent of all education sessions annually. However, this limitation is not reflected in the executed agreement.
- **Case Assistance services:** IIIA did not provide evidence of verbal or written consent for the 25 sampled advocacy cases. The agreement requires verbal consent when the consumer is present and written consent when advocacy is conducted without the consumer present. IIIA confirmed there is a CPUC-approved written consent form, which will be used in future cases when the consumer is not present. IIIA also indicated plans to implement a consent tracking field in their TEAM and CHANGES database

Effect:

By not consistently adhering to oversight and documentation requirements, it increases the risk of noncompliance with agreement terms. The absence of required surveys reduces the ability for IIIA and CPUC to assess the effectiveness of education services. The lack of a forward-looking calendar limits CPUC's visibility into planned outreach events and hinders its ability to provide timely oversight or coordination. Additionally, incomplete attendance records may weaken the reliability of reporting and billing associated with education services.

Cause:

As noted in the condition section, IILA attributed the absence of a shared events calendar to the evolving and often unpredictable nature of outreach opportunities. For education services, IILA explained that they had discussions with CPUC to conduct surveys for 10 percent of education sessions annually. However, this limitation is not reflected in the executed agreement. Regarding case assistance, IILA acknowledged that written consent was not previously obtained when required but stated they will begin using the approved form and tracking this information in the database. IILA and EAD also emphasized that program funding has remained unchanged for nine years, which has constrained the capacity of CBOs to fully meet certain deliverables across all three program components.

Criteria:

The agreement outlines the following requirements:

- Exhibit A: Section C – Tracking Performance of Team and CHANGES Program, item 18 states, “Lead Contractor to create, maintain, and display a monthly events calendar for at least a 12-month horizon so CPUC has visibility to the Contractor’s and CBOs planned events in the community and with CPUC or IOUs.”
- Exhibit A, Tracking Performance of TEAM and CHANGES Program, item 7 states, “Education provided to consumers shall be evaluated for effectiveness. The Contractor will develop and administer surveys to determine the level of knowledge of consumers at the time, and just after the provided training. Follow-up surveys must be administered within one week to determine how well the knowledge has been retained.”
- Exhibit A – Scope of Work, 2. Statement of Work, A) Deliverables, item 3, Guidelines on Advocating for Consumers states, “If consumers request advocacy assistance from CBOs, then the CBO staff will obtain their consent to advocate for them with the carriers and utilities. If done in the consumer’s presence, verbal approval while the carrier or utility is on the line is sufficient. If advocacy takes place without the consumer, then the consumers must sign a written agreement to be developed by the Contractor and approved in advance by the CPUC.”

Recommendation:

IILA should ensure staff adhere to the executed agreement or collaborate with CPUC EAD to clarify or amend the following terms as needed: maintaining a forward-looking events calendar for CPUC’s oversight, ensuring consistent use of and submission of evaluation tools by CBOs for education sessions, and obtaining and retaining consumer consent.

IIA's Response and Target Completion Date:

IIA does not concur with the finding, see Appendix A for IILA's full audit response and Appendix B for the Office of Internal Audit Services' comments to IILA's response.

Finding 2: Outreach Activities Invoicing

Rating: Medium

Condition:

IIA submitted invoices for outreach activities using a billing method that does not align with the executed agreement. The agreement requires each event to meet a minimum of 250 attendees or be billed pro rata based on actual attendance. Of the 10 sampled invoices, five, or 50 percent, included billing for multiple outreach events with fewer than 500 participants that were combined into a single invoice line to meet a 500-person threshold. IILA noted their billing method was based on the Final Proposal rather than the executed agreement terms.

Effect:

By not using the approved billing method stated in the executed agreement, it increases the risk of noncompliance with agreement terms. Additionally, aggregating attendance from multiple smaller outreach events to meet the 500-person threshold may lead to reduced transparency in the use of outreach funds.

Cause:

IIA stated that they followed the Final Proposal rather than the executed agreement. The Final Proposal references a 500-participant threshold and permits aggregation of events. However, the executed agreement requires that each event have at least 250 attendees or be billed pro rata based on the number of attendees. No formal amendment was found authorizing the 500-participant threshold or the use of aggregated billing.

Criteria:

The agreement outlines the following requirement for outreach activities:

- Section D (1): Additional Contractor Responsibilities – Program Creation states, “Community Event - \$X (event has to have a minimum of 250 attendees or payment will be made pro rata the number of attendees).”

Recommendation:

IIA should ensure staff follow the billing process consistent with the executed agreement or collaborate with the CPUC EAD to clarify and, if needed, amend the agreement to reflect the billing methodology.

IIA's Response and Target Completion Date:

IIA does not concur with the finding, see Appendix A for IIA's full audit response and Appendix B for the Office of Internal Audit Services' comments to IIA's response.

Positive Observations:

- The case assistance records were complete and aligned with agreement requirements.
- The service materials reviewed met the agreement's foreign language provisions.
- The invoices contained all required elements and matched the approved cost worksheet format.
- IIA conducted required CBO spot checks based on the field visit summaries reviewed.

Conclusion

Overall, based on our review and within the scope of the agreement for the TEAM and CHANGES Programs, we identified two areas of non-compliance, as noted in findings 1 and 2. We rated the potential impact these findings have on CPUC as medium.

We conducted this review in accordance with the Global Internal Audit Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objective.

Respectfully Submitted,



Julie Muneckawa, CIA, CISA
Chief Internal Auditor

Staff:

Huyen Le, CPA, CIA, Supervising Management Auditor
Shaiena Singh, Audit Lead

APPENDIX A

IIIA's Response





International Institute
of Los Angeles

3845 Selig Place
Los Angeles, CA 90031

Date: June 24, 2025

To:
Julie Munekawa
Chief Internal Auditor
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

*Subject: Response to Draft Audit Report – Job No. IA2024-08 (TEAM
and CHANGES Programs)*

Dear Ms. Munekawa,

Thank you for the opportunity to review and respond to the draft audit report titled “Review of International Institute of Los Angeles” dated June 12, 2025. We appreciate the professionalism of the CPUC’s Office of Internal Audit Services throughout this process, and the collaborative relationship we continue to foster with CPUC’s External Affairs Division.

IILA remains fully committed to the successful implementation of the TEAM and CHANGES Programs and to upholding the highest standards of compliance, transparency, and program effectiveness.

Response to Findings

Finding 1: Oversight and Documentation Requirements

Rating: Medium

A. Outreach Calendar Requirement

Finding

IILA did not maintain or share a centralized monthly events calendar covering a 12-month horizon, as required by the agreement, to provide CPUC with visibility into planned outreach activities. IILA stated that maintaining such a calendar is impractical due to the unpredictable nature of outreach opportunities and budget constraints.

Response

IILA has worked with CPUC staff to develop a calendar that identifies outreach events conducted by CBOs. However, as noted during our discussions and acknowledged by CPUC staff working on the TEAM and CHANGES programs, many community events arise with limited notice, often through invitations or opportunities that cannot be scheduled far in advance. While maintaining a 12-month horizon is operationally challenging, we keep the calendar up to date with outreach events throughout the program year as soon as notice becomes available.

The email below demonstrates that we shared screenshots of our calendar with the auditor on 6/5/25. We have also been sharing the calendar with CPUC staff since September 2024. Given the fact that most community events are not scheduled 12 months in advance, most months later in the year will indicate that no events are scheduled. This will be accurate because very few community events are planned a year in advance.

IILA maintains that this finding is inaccurate because the requirement for events to be listed a year in advance is not possible, and IILA shares the updated calendar with the CPUC regularly.

Monthly Events Calendar

Chrystal Dorado
To: Singh, Shailena <Shailena.singh@cpuc.ca.gov>

Q  Reply  Reply all  Forward  0 mfi

Hi Shailena,

I wanted to provide some context around why maintaining a monthly events calendar for our 25 CBOs is not currently a practical approach even though we did create a method to document the events.

Most of our partner organizations do not have the ability to pre-plan outreach events far in advance. In many cases, events arise on short notice-sometimes just a week or a few days before-due to invitations from community partners, last-minute opportunities, or changing local priorities. This makes it difficult to accurately populate a calendar a month ahead of time.

In addition to timing, budget limitations also play a major role. Some CBOs may not know until the last minute whether they have the staff capacity or funding available to participate in or host an event. For example, this past year we had to pause all outreach events in December due to depleted budgets, which further highlights the uncertainty involved in planning.

We have previously expressed our concerns/opinions regarding this monthly calendar event to the CAB team in meetings.

Below I have provided a screenshot of the CBO monthly calendar from July-September and then February.

2024-1-14



Sharing and permissions

X

CBO Events

Send a sharing invitation in email. You can choose how much access to allow and change access settings any time.

 Enter an email address or contact name

Inside your organization

SU Stanley Ung sung@ilosangelcs.org	Can edit	  
EI Erika Lopez Elopcz@ilos.ingelcs.org	Can edit	  
LF Laura Flores laflores@ilosangelcs.org	Can edit	  

Outside your organization

AN Ahmad M Noorzayee anorazayee@ahCXJ.com	Can view all details	  
AL Asiedu-Akrofi, Love Love.A,iedu-Akrofi@cpucca.gov	Can view titles and locations	  
BI Bass, Lisa Lisa.B.a.,@cpucca.gov	Can view titles and locations	  
CM Casey McFall casey@mile-tone-consulting.org	Can view all details	  

B. Education Surveys and Attendance Sign-in

Finding

IILA did not include participant surveys in 11 out of 15 education sessions, or 73 percent, as required by the agreement, to evaluate effectiveness. In addition, within the 11 noted above, one in-person session used a typed sign-in sheet rather than participant-completed signatures, which reduces the reliability of attendance verification. IILA indicated that they had discussions with CPUC regarding conducting surveys (pre- and post-tests) for 10 percent of all education sessions annually. However, this limitation is not reflected in the executed agreement.

Response

Pre and post-tests are not required for all educational workshops. We ask CBOs to strive for 10% as discussed in prior communications with CPUC and as reflected in the program budget portion of the contract.

Documents submitted for audit were sent in response to requests for specific educational workshops, outreach events, and cases. The educational workshops requested by the auditor were those that may not have been included in the CBO's 10% selection for pre- and post-testing. That does not mean that other educational workshops did not amount to the 10% threshold we encourage CBOs to reach.

With regard to the finding that the process for conducting pre/post-tests is not included in the executed agreement, it should be noted that most program protocols and procedures are not included in the contract because the CPUC has included the Request for Proposals (RFP) as the Scope of Work instead of the actual accepted and approved Proposal submitted by IILA during the procurement phase of this contract. An RFP will never reflect actual processes when they are developed and proposed by a Contractor.

IILA is not out of compliance with the administration of pre/post-tests. Further, IILA cannot be held responsible for a contract in which the CPUC insisted on including an RFP as a formal Scope of Work. IILA has completed pre- and post-tests in accordance with the proposed budget and the proposed methodologies accepted by the CPUC when reviewing our proposal.

Typically, education workshop sign-in sheets will include handwritten signatures from attendees. In some cases, signatures are not feasible for a variety of reasons. Reasons may include participant illiteracy and inability to sign their name, fear of signing documents that may be shared with a government agency, or reluctance to share personal information such as telephone numbers. Some workshops may be presented remotely, which will prevent a CBO from collecting handwritten

signatures. It is difficult to determine the precise reason for the typed attendance sheet for the one workshop identified in the audit. However, typed sign-in sheets are rare and are followed up with the submitting CBO to determine the reason for the inability to collect handwritten signatures prior to approving the workshop for payment.

IILA has followed all protocols regarding the administration of pre- and post-tests and educational workshop attendance verifications. When a standard of 10% is the goal to be reached, it is impossible to determine compliance unless all documents are reviewed, and the actual percentage of completion is calculated. Reviewing only 15 education sessions will not enable an auditor to determine whether the appropriate procedures are being followed.

The issues in this finding are a result of incorrectly reviewing and understanding requirements for CBOs and should be removed from this report.

C. Case Assistance Consent Documentation

Finding

IILA did not provide evidence of verbal or written consent for the 25 sampled advocacy cases. The agreement requires verbal consent when the consumer is present and written consent when advocacy is conducted without the consumer present. IILA confirmed there is a CPUC-approved written consent form, which will be used in future cases when the consumer is not present. IILA also indicated plans to implement a consent tracking field in their TEAM and CHANGES database.

Response

Most cases do not require submitting written consent for CBOs to resolve cases. The only time this is required is when the CBO must speak directly with an IOU, without the consumer present on the phone with them. Most cases do not require a CBO to contact an IOU and are addressed with other service providers who manage assistance programs and other services. Even when a CBO has the need to speak directly with an IOU, the consumer is typically on the phone with them to give consent.

The written consent form is already used by CBOs, and only in rare cases, and is faxed directly to the IOUs. There would be no evidence of written consent to provide to the auditor as those consent forms are an agreement between the consumers and the IOU.

IILA has facilitated all consent requirements between IOUs and consumers when necessary. It is unclear whether the 25 cases reviewed by the auditor included

resolution steps for which consent would be required.

Finding 2: Outreach Activities Invoicing

Rating: Medium

Finding

IILA submitted invoices for outreach activities using a billing method that does not align with the executed agreement. The agreement requires each event to meet a minimum of 250 attendees or be billed pro rata based on actual attendance. Of the 10 sampled invoices, five, or 50 percent, included billing for multiple outreach events with fewer than 500 participants that were combined into a single invoice line to meet a 500-person threshold. IILA noted their billing method was based on the Final Proposal rather than the executed agreement terms.

Response

Our invoice followed the approved Final Proposal's 500-person threshold, which allowed for aggregation of smaller events. While the RFP may have indicated a desire that all Bidders include a plan for reaching a minimum 250 participants per event, this was not the threshold that IILA proposed or was accepted by the CPUC. The methodology used requires 500 attendees at events to be approved for payment and has been used in these programs for over a decade.

IILA has conducted invoicing and payment approval in accordance with the proposed attendance thresholds we proposed, and the CPUC accepted. IILA should not be held accountable to a finding that is not in accordance with accepted program standards because the CPUC included a minimum threshold in an RFP, particularly when the actual threshold required by IILA exceeds the requirement in the RFP.

Conclusion

Thank you for the opportunity to provide feedback on the Draft Audit Report. IILA is confident that we are in compliance with program requirements and looks forward to receiving a revised Final Audit Report that addresses the inconsistencies in the Draft Audit Report as described in this response.

APPENDIX B

Comments to Response



Office of Internal Audit Services

Comments to IILA's Response

To provide clarity and perspective, we are commenting on IILA's response to our audit.

Finding 1

A. Outreach Calendar Requirement

IILA stated that maintaining a 12-month horizon is operationally challenging due to the unpredictable nature of outreach opportunities (IILA Audit Response, Section A). While we acknowledged this challenge in the draft report, the executed agreement explicitly requires IILA to create, maintain, and share a centralized monthly events calendar with a 12-month horizon to give CPUC visibility into planned outreach activities (IILA Agreement, Exhibit A, Section C, Item 18). The calendar is intended to include both tentative and planned events, not only confirmed ones. Its purpose is to support strategic planning and CPUC oversight, not to forecast events with certainty. Therefore, IILA's practice of only updating the calendar when notices are available does not meet the agreement's requirements. The screenshots provided show partial visibility and do not fulfill the requirement for a forward-looking, centralized 12-month calendar.

B. Education Surveys and Attendance Sign-in

IILA asserted that pre/post-tests are targeted at 10% of sessions based on discussions with CPUC but acknowledged this is not specified in the agreement (IILA's Audit Response, Section B). The agreement requires surveys for education services (IILA Agreement, Exhibit A, Tracking Performance, Item 7). Relying on an informal 10% target does not align with the agreement terms. Any deviation must be contractually documented. Verbal guidance or budget references do not override executed agreement language. While IILA noted typed attendance sheets are mainly for remote meetings, the typed attendance sheet that we noted in our report was for an in-person session. This was previously shared with IILA and reduced the reliability of attendance verification.

C. Case Assistance Consent Documentation

IILA stated written consent is required only when advocacy occurs without the consumer present and that most cases involve verbal consent provided during the call (IILA's Audit Response, Section C). The executed agreement requires verbal consent when the consumer is present and written consent when advocacy is conducted without the consumer present (IILA Agreement, Exhibit A, Scope of Work, Deliverables, Item 3). IILA did not provide evidence of verbal or written consent for any of the 25 sampled cases. The lack of any documentation across 25 cases, combined with IILA's acknowledgment that consent may not be retained

internally, supports the finding. If IILA is unsure whether these cases required consent, that further highlights a control gap in tracking consent compliance.

While IILA indicated plans to implement a consent tracking field and use CPUC-approved consent forms going forward, these steps do not address the lack of documented consent during the audit period.

Conclusion on Finding 1

We included the challenges IILA cited, such as unpredictable outreach opportunities and unchanged funding, in the draft report to provide context. However, these challenges do not exempt IILA from complying with the terms of the executed agreement. Therefore, we stand by our conclusion and the finding remains.

Finding 2

Outreach Activities Invoicing

IILA asserted its billing method follows the Final Proposal's 500-person threshold allowing aggregation of smaller events, a practice used for over a decade and accepted by CPUC (IILA's Audit Response, Finding 2). However, the executed agreement requires each event to have a minimum of 250 attendees or be billed pro rata based on actual attendance. No formal amendment authorizes the use of a 500-person threshold or aggregation (IILA Agreement, Section D(1)).

Conclusion on Finding 2

The executed agreement supersedes the Final Proposal and clearly states the billing should be based on a per-event threshold of 250 participants, or pro rata based on actual attendance. Aggregating attendance across multiple events to meet a combined threshold is not permitted under the agreement. Past practices or proposal language does not override contractually binding terms. Compliance is measured against the executed agreement. Therefore, we stand by our conclusion and the finding remains.

Summary

IILA's responses reflect efforts to justify practices that deviate from documented requirements. The executed agreement forms the basis for compliance. Proposals, informal discussions, or past practices do not supersede the executed agreement terms. Both audit findings remain valid and are supported by audit evidence.