

2014-122 AUDIT SCOPE AND OBJECTIVES

Ross Valley Sanitary District

The audit by the California State Auditor will provide independently developed and verified information related to the Ross Valley Sanitary District (District), and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine what steps the District has taken to identify weaknesses in its financial, operational, and administrative policies and practices that were in place from 2009 through 2013, and determine the status of the District's corrective actions resulting from its own reviews or from recommendations in past audits and reviews.
3. Determine whether the District's current governance structure promotes sound operational and financial practices and identify the extent to which the board and senior management exercise oversight of the District's financial and administrative operations.
4. Examine the District's operational structure and assess its management controls and practices. Determine whether the controls over significant financial and administrative functions provide reasonable assurance that the practices are consistent with relevant laws, regulations, and accounting standards.
5. Determine whether the District's financial practices safeguard assets and ensure proper accounting and reporting of revenues, expenditures, and capital asset values.
 - (a) Determine whether revenues and capital asset valuations are appropriate and properly recorded.
 - (b) Determine whether expenditures (including bond proceeds) are for allowable activities and properly recorded.
6. Determine whether the District's current compensation levels of pay and benefits for its workforce, including the general manager, are commensurate with the duties and responsibilities of comparable public wastewater agencies.
7. Review a selection of the District's contracts for capital projects and determine whether it complied with laws, regulations, and best practices for awarding such contracts. Specifically, determine whether the District used a competitive bidding process where appropriate and obtained the best value for its contracted capital projects.
8. Assess whether the District's financial and administrative policies, practices, and controls are adequate to prevent, identify, and address fraud, abuse, and conflicts of interest.
9. Review and assess any other issues that are significant to the operations and financial practices of the District.