

2016-111 AUDIT SCOPE AND OBJECTIVES

City of Irwindale – Finances and Governance

The audit by the California State Auditor will provide independently developed and verified information related to the city of Irwindale's (city) finances and governance structure, 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. Review the current charter and any proposed changes to determine whether they comply with applicable laws and promote sound operational business practices. Determine how the charter compares to similar cities' charters.
3. Describe the current governance structure in the city, including the roles, responsibilities, and authority of various officials including elected officials, the city manager, and others with key roles in governing the city's operations.
4. Describe the operational structure of the city and evaluate the effectiveness of management's controls over financial and administrative functions, particularly the city's contracting practices and how it expends funds and manages its decisions regarding the city's planning commission.
5. For the most recent five-year period, review the city's expenditures and revenues to identify any unusual trends or fluctuations. If any such trends or fluctuations exist, determine why.
6. Review the appropriateness of a selection of revenues and expenditures occurring over the last five years.
7. Examine the salaries, benefits, and pension packages of high-level staff and elected officials. Determine how the compensation was determined and approved, and how it compares to other cities of comparable size. Determine whether any public funds are supporting the college educations of any children of city officials.
8. Examine contracting practices over the last five years. Review the contract bidding and approval process, the process for identifying and mitigating conflicts of interest, and the process for ensuring adequate performance under the contract.
9. Evaluate how the city manages bonds and the impact of the city's bonded indebtedness on its long-term fiscal health. Identify all bonds issued over the past seven years and, for a selection of those bonds, determine the following:
 - a. The purpose of the bond issue.
 - b. Whether it was well-defined, properly approved, and used appropriately.
 - c. The status of the debt service.
10. Examine the city's ownership of residential property within the city limits, including a review of leasing practices, rental practices and property sale practices.
11. Review and assess any other issues that are significant to the audit.